

A large, light gray decorative graphic in the center of the page, consisting of ten wedge-shaped segments arranged in a circular pattern, resembling a stylized sunburst or a gear.

# ANNUAL REPORT **2015-16**

**Beetel Teletech Limited**  
(A Brightstar Company)

## CONTENTS

Page No.

Corporate Information .....	01
The Board of Directors & Key Managerial Personnel - an Introduction.....	02
Chairman's Message .....	04
Notice of the Seventeenth Annual General Meeting .....	05
Director's Report .....	17
Standalone Financial Statements .....	43
Consolidated Financial Statements .....	83

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Dharshan Nanayakkara (DIN: 06930415)  
Mr. Deval Parikh (DIN: 03352255)  
Mr. Paul Andrew Ringrose (DIN: 02799510)  
Mr. Harjeet Singh Kohli (DIN: 07575784)  
Ms. Geeta Mathur (DIN: 02139552)  
Mr. Rajesh Madan (DIN: 02647922)

### CHIEF FINANCIAL OFFICER

Mr. Puneet Khanna

### COMPANY SECRETARY

Ms. Neeru Bhalla

### STATUTORY AUDITORS

Deloitte Haskins & LLP  
Chartered Accountants  
Gurgaon

### INTERNAL AUDITORS

PI Advisory Private Limited  
Gurgaon

### REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited  
Delhi

### COST AUDITOR

KG Goyal & Associates  
Jaipur

### SECRETARIAL AUDITOR

Saurabh Jain & Associates  
Company Secretary  
Delhi

### BANKERS

HDFC Bank Limited  
Australia & New Zealand Banking Group Limited  
Kotak Mahindra Bank Limited

### REGISTERED OFFICE

First Floor, Plot No.16,  
Udyog Vihar, Phase-IV,  
Gurgaon-122015 (Haryana)

### WEBSITE

[www.beetel.in](http://www.beetel.in)

### QUERIES/ASSISTANCE

Secretarial Department  
Beetel Teletech Limited  
First Floor, Plot No.16,  
Udyog Vihar, Phase-IV,  
Gurgaon-122015 (Haryana)

## THE BOARD OF DIRECTORS & KEY MANEGERIAL PERSONNEL - AN INTRODUCTION

### **Dharshan Nanayakkara**

Dharshan Nanayakkara is the Non-Executive Director of Beetel Teletech Limited with effect from October, 2014. Presently he works as Regional President, Asia-Pacific, Brightstar Corp., Australia responsible for setting the strategic direction and management of the region, with subsidiaries in Malaysia, Philippines, Thailand, Singapore, Australia, New Zealand and Hong Kong. He is having over 10 years' experience in the Telecommunications Industry representing OEMs, retailing. In past, he was associated with Ericsson, Crazy Johns etc. He has done Bachelor's in Business and Marketing from Royal Melbourne Institute of Technology and Bachelor of Business Administration from International Institute for Management Development.



### **Deval Parikh**

Deval Parikh is the Executive Director and CEO of the Beetel Teletech Limited with effect from July 2016. He is a business leader in the technology space for over a decade in a number of executive roles in the US as well as in India. His experience spans domains of management consulting, venture capital, telecom, and semiconductor industries. Before joining Beetel, he was with Reliance Jio where he was working as Senior Vice President. He was one of the founding members of Virgin Mobile in India where he was Chief Product Officer and helped set up the India operations. He served as a management consultant for PRTM consulting (now PwC) He holds an MBA from the Kellogg School of Management and Masters in Engineering Management from Northwestern University. He also holds a Bachelors in Chemical Engineering and Economics.



### **Paul Andrew Ringrose**

Paul Andrew Ringrose is the Non-Executive Director in Beetel Teletech Limited with effect from July 2016. Paul is currently the Chief Financial Officer for Asia Pacific at Brightstar. He is a widely experienced Executive with international operating responsibility extending from Chief Financial Officer to Managing Director roles in the Wireless Consumer Products and Wireless Service Provision industries. Prior to Brightstar, He was associated with Ingram Micro Mobility Australia, Brightpoint, Digicel etc. He is Chartered Accountant by profession from UK and Australia.



### **Harjeet Singh Kohli**

Harjeet Singh Kohli is the Non-Executive Director in Beetel Teletech Limited with effect from August 2016. Harjeet is currently Group Head - Funding, Risk, Markets and Investors for Bharti Airtel and the Bharti group. Harjeet leads all financing, capital structure & equity raising, currency and interest risk management, investments management, liquidity and working capital management with full ownership of all C2B flows of telecom. He also owns stakeholders' management – across ratings, debt & equity investors for Bharti group including airtel (present in 20 countries). He has 19 years of work experience as a business professional and also a product specialist across financing, flows and markets space, both as a corporate and investment banker to large corporates as also as an issuer / corporate. He is Mechanical Engineer from DCE and a MBA holder from FMS, Delhi



### **Geeta Mathur**

Geeta Mathur is an Independent Director in Beetel Teletech Limited with effect from March, 2015. She is an experienced finance professional having worked as a banker and also in large corporate treasury and investor relations. She has expertise in project and structured finance, risk management and handling of large treasuries for the bodies corporate. She possess strong understanding of processes and systems with ability to identify key success /risk factors across several industries and understand how the leaders in those industries have managed the risks to stay ahead. She holds board level positions in various companies in India. She is a Commerce Graduate from Sri Ram College of Commerce, and a Chartered Accountant by profession.



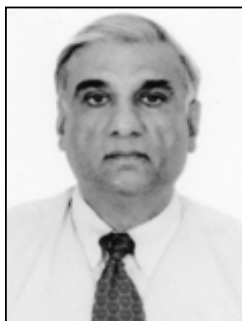
### **Puneet Khanna**

Puneet Khanna is the Chief Financial Officer of Beetel Teletech Limited with effect from October, 2014. He is a results driven Business Control & Planning professional with excellent communication & presentation skills having over 19 years of extensive Multinational & Multi-industry experience in all key areas of Finance Function including Financial Control & Reporting, Budgeting, Accounting, Statutory Compliances, Strategic Planning, Funding, M&A, Integration of Legal Entities, Treasury management, Commercial and Risk Management. He has worked with Multinational companies like American Tower, Sony Ericsson etc. He is a Commerce Graduate from Sri Ram college of Commerce and a Chartered Accountant by profession.



### **Rajesh Madan**

Rajesh Madan is an Independent Director in Beetel Teletech Limited with effect from March, 2015. He has experience of handling large transactions relating to mergers, acquisitions and divestitures, restructuring of companies and businesses and cross-border transactions. Besides this also have extensive experience in corporate governance and compliance with special emphasis on corporate responsibility to shareholders, government, employees and customers. He has held the position of an In-house Counsel with a number of multinational corporations in India, including Novartis, Glaxo Smithkline etc. Since 2004, he has been practicing as an independent Counsel.



### **Neeru Bhalla**

Neeru Bhalla is the Company Secretary of Beetel Teletech Limited with effect from September 2015. She is a result oriented professional with nearly 15 years experience in legal and secretarial compliances, contract management, litigation management, dispute management, due diligence. Prior to Beetel, she was associated with Adidas India. She is a law graduate and a company Secretary by qualification.



He is also a qualified Company Secretary and a Law Graduate by qualification.

## CHAIRMAN'S MESSAGE

Dear Shareholders,

I am happy to report one of the strongest revenue growths in your business from 10,925Mn in FY 2014-15 to 39,983Mn in FY 2015-16. This 266% YOY growth has been propelled by distribution of Apple iPhone along with a solid growth in the IT business. Specifically, the B2B, Networks, and B2C business lines are growing at very healthy pace. Your company continues to perform in the landline business through its innovative products. On the mobile phone business front, although the business has grown considerably, there have been unplanned drops in market operating prices based on the OEM's distribution strategy of having multiple distributors pan India which resulted in a drop of margins. However, your company continues to strengthen its distribution network across all regions and do focussed distribution in certain parts of India. This market segregation would help in maintaining market operating prices resulting in better margins.

In the past year we have implemented several new initiatives across the business. This has resulted in significant revenue growth as well as investment in skills and capabilities across various lines of business to further drive new products and services in the Indian market.

I am delighted to welcome your Company's new CEO, Mr. Deval Parikh on the board. Deval joins us with more than 20 years of experience in India and the USA in telecom and technology domains. Under his leadership, we are on the road to a brighter future across all lines of business. He and the team will be leading various initiatives to transform the business from a pure distribution firm to have a healthy mix of services that build on the core capability of distribution.

My special thanks to all the shareholders and bankers who continue to have faith and confidence in us and have shown extraordinary support towards us.

My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment.

Warm regards,  
Dharshan Nanayakkara  
Chairman  
DIN: 06930415

## NOTICE

Notice is hereby given that the Seventeenth (17th) Annual General Meeting of the members of Beetel Teletech Limited (the “**Company**”) will be held on 20<sup>th</sup> September 2016 (Tuesday) at 10.00 a.m. at K-3, DLF Phase-II, Community Centre, Gurgaon- 122002 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To review, consider and adopt the Balance Sheet, Cash Flow Statement as on 31<sup>st</sup> March, 2016, and Profit & Loss Account for the Company for the year ended on 31<sup>st</sup> March, 2016 together with the Auditors’ and Directors’ Report thereon.
2. To appoint a Director in place of Mr. Dharshan Nanayakkara (DIN: 06930415), who retires by rotation and being eligible, offers himself for appointment.
3. To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as the statutory auditors of the Company for the financial year ending on 31<sup>st</sup> March, 2017 to hold office until the conclusion of the Eighteenth (18<sup>th</sup>) Annual General Meeting (AGM) of the Company, at such remuneration as may be fixed by the Audit Committee and/or Board of Directors and for that purpose, pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the consent of the members be and is hereby accorded to ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as Statutory Auditors of the Company for the financial year 2016-17, on such remuneration as may be decided by the Board of Directors.”

### **SPECIAL BUSINESS:**

#### **4. APPOINTMENT OF MR. HARJEET SINGH KOHLI AS A DIRECTOR LIABLE TO RETIRE BY ROTATION**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152, Section 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Harjeet Singh Kohli (DIN: 07575784), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1<sup>st</sup> August 2016 and who holds office up to the date of 17<sup>th</sup> AGM of the Company, and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 and other applicable laws from a member proposing his candidature for the office of Director liable to retire by rotation, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** any Director or Secretary of the Company be and is hereby severally authorized to make necessary filings relating to aforesaid matter with the Registrar of Companies and any other necessary documents with the appropriate regulatory authorities, and to do all such acts, deeds and things as may be required from time to time to effectuate the above resolution.”

#### **5. APPOINTMENT OF MR. PAUL ANDREW RINGROSE AS DIRECTOR LIABLE TO RETIRE BY ROTATION**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152, Section 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Paul Andrew Ringrose (DIN: 02799510), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> July 2016 and who holds office up to the date of 17<sup>th</sup> AGM of the Company, and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director liable to retire by rotation, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorized to make necessary filings relating to aforesaid matter with the Registrar of Companies and any other necessary documents with the appropriate regulatory authorities, and to do all such acts, deeds and things as may be required from time to time to effectuate the above resolution."

6. **APPROVAL OF REMUNERATION OF MR. ALOK SHANKAR, WHOLE TIME DIRECTOR FOR FINANCIAL YEAR 2016-17**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/ agency/board, if any, approval of Company be

and is hereby accorded to pay fixed remuneration of Rs. 8,539,829/- to Mr. Alok Shankar, Whole-time Director (DIN: 01122940) of the Company from 1st April 2016 till 7<sup>th</sup> July 2016.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things which are necessary to carry out the aforesaid resolution and to seek such approval/ consent from the Government departments, if required in this regard and make necessary filings with the Registrar of Companies and any other necessary documents with the appropriate regulatory authorities and to do all such acts, deeds and things, as may be required from time to time to effectuate the above resolution."

7. **APPROVAL FOR THE APPOINTMENT OF DEVAL PARIKH AS WHOLE TIME DIRECTOR FOR 5 YEARS**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (including statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board required, if any, consent of the members of the Company be and is hereby accorded to appoint Deval Parikh (DIN: 03352255), who is the Chief Executive Officer and Additional Director of the Company, as the Whole-time Director of the Company for a period of five years commencing from the conclusion of 17<sup>th</sup> Annual General Meeting i.e. from 20<sup>th</sup> September, 2016 to 19<sup>th</sup> September, 2021.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the company be and is hereby accorded to pay remuneration of Rs. 26,306,849/-, comprising of fixed salary of Rs. 9,558,356/-, variable salary of Rs. 9,558,356/- (which shall be based on Deval Parikh appraisal on 31<sup>st</sup> December, 2016) and other emoluments, to Deval Parikh from 6<sup>th</sup> July, 2016 till 31<sup>st</sup> December, 2016.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things which are necessary to carry out the aforesaid resolution and to seek such approval/consent from the government departments, if required in this regard and make necessary filings relating to the appointment of Deval Parikh as Whole-time Director with the Registrar of Companies and any other necessary documents with the appropriate regulatory authorities, and to do all such acts, deeds and things as may be required from time to time to effectuate the above resolution."

8. **RATIFICATION OF REMUNERATION PAYABLE TO M/S. K. G. GOYAL & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITORS OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any,

of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. K. G. Goyal & Associates, Cost Accountants appointed as the Cost Auditors of the Company, for the conduct of the audit of the cost records of the Company for the financial year 2016-17, be paid a remuneration of Rs. 33,000/- (Rupees Thirty Three Thousand only) per annum, exclusive of service tax and out of pocket expenses incurred, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board of Directors  
**Beetel Teletech Limited**

Sd/-

Neeru Bhalla

Date : 4<sup>th</sup> August, 2016 (Company Secretary)

Place : Gurgaon Membership No.: ACS 14181

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY DULY SIGNED AND STAMPED SHOULD BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, TO BE EFFECTIVE;**
2. Members/Proxies should bring their attendance slips attached herewith, duly filled-in and signed for attending the Meeting;
3. Corporate members are requested to send to the registered office of the Company a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote at the general

meeting;

4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Businesses to be transacted at this meeting is annexed hereto; and
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days, up to and
6. The Statutory Registers maintained under section 170 of the Companies Act, 2013 will be available at the venue for inspection by members;
7. Members are requested to intimate immediately any change in their address, including e mail addresses to the Company;
8. Route map of the venue of meeting is attached herewith.

### Route Map for Annual General Meeting



#### VENUE :

K-3, DLF Phase-II, Community Centre, Gurgaon- 122002

BEETEL TELETECH LIMITED (A Brightstar Company)

CIN: U32204HR1999PLC042204

Regd. Office: 1<sup>st</sup> Floor, Plot No. 16, Udyog Vihar Phase IV, Gurgaon-122015, Haryana, India

T: +91-124-4823500, F: +91-124-4146130, W: www.beetel.in

## PROCEDURE FOR REMOTE E-VOTING

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 17<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM) but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 16<sup>th</sup> September, 2016 (9:00 am) and ends on 19<sup>th</sup> September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13<sup>th</sup> September 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Beetel Teletech Limited" which is 104400.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to info@groverahuja.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM) :
- EVEN (Remote e-voting Event Number)**
- USER ID**
- PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 13<sup>th</sup> September 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 13th September 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Jayanti Sharma on behalf of M/s. Grover Ahuja & Associates, Practising Company Secretaries, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM), a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.beetel.in](http://www.beetel.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

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

##### **ITEM NO. 4: APPOINTMENT OF MR. HARJEET SINGH KOHLI AS A DIRECTOR LIABLE TO RETIRE BY ROTATION**

The members are informed that Mr. Harjeet Singh Kohli (DIN: 07575784) was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> August 2016 by the Board of Directors in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above Director hold office only up to the date of the ensuing Annual General Meeting.

In this regard, Company has received request in writing together with the deposit of Rs. 1 lakh from a member proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 and rules made there under.

The presence of Mr. Harjeet Singh Kohli on the Board is desirable and would be beneficial to the Company due

to his experience in the business area of the Company and hence the Board recommends resolution no. 4 for adoption.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Harjeet Singh Kohli is interested in this resolution.

##### **ITEM NO. 5: APPOINTMENT OF MR. PAUL ANDREW RINGROSE AS DIRECTOR LIABLE TO RETIRE BY ROTATION**

The members are informed that Mr. Paul Andrew Ringrose (DIN: 02799510) was appointed as an Additional Director of the Company with effect from 12<sup>th</sup> July, 2016 by Board of Directors in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above Director hold office only up to the date of the ensuing Annual General Meeting.

In this regard, Company has received request in writing together with the deposit of Rs. 1 lakh from a member proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 and rules made there under.

The presence of Mr. Paul Andrew Ringrose on the Board is desirable and would be beneficial to the Company due to his experience in the business area of the Company and hence the Board recommends resolution no. 5 for adoption.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Paul Andrew Ringrose is interested in this resolution.

##### **ITEM NO. 6: APPROVAL OF REMUNERATION OF MR. ALOK SHANKAR, WHOLE TIME DIRECTOR FOR F.Y 2016-17**

The Board of Directors of the Company have at their meeting held on 1<sup>st</sup> October, 2014 and the Shareholders in its 15<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> October, 2014 approved the appointment of Mr. Alok Shankar

(DIN: 01122940) as the Whole Time Director for a period of 5 years commencing from 30<sup>th</sup> October 2014 to 29<sup>th</sup> October 2019. Further, the Board and the shareholders respectively also approved the remuneration of Mr. Alok Shankar amounting to Rs. 26,014,100/- per annum (fixed portion Rs. 17,949,729 /- per annum and variable portion Rs. 8,064,371/- per annum).

On the recommendation of Nomination & Remuneration Committee, the Board of Directors recommends to the Shareholders to approve remuneration of Rs. 8,539,829/- to Mr. Alok Shankar from 1<sup>st</sup> April 2016 till 7<sup>th</sup> July 2016.

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013:-

#### **I. General Information :-**

- Nature of Industry:- Beetel is a value added distribution house that partners with leading brands and also creates and markets products in the IT, Telecom and Enterprise Solution domain.
- Date or expected date of commencement of commercial production :- Existing Company
- In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:- Not applicable
- Financial Performance based on given indicators:-

(Figures in INR Mn.)

Particulars	Financial Year ended March 31, 2016	Financial Year ended March 31, 2015
Gross Sales	38,952.07	9,996.73
Other Income	22.47	54.64
<b>Profit/(Loss) before Tax</b>	<b>(109.68)</b>	<b>128.72</b>
<b>Profit/(Loss) after Tax</b>	<b>(53.20)</b>	<b>190.85</b>

- Export performance and Net Foreign Exchange Outgo:- Foreign Exchange inflow of Rs.63.87 (Million) and Foreign Exchange outgo- Rs 16512.83 (Million)
- Foreign Investments or Collaborations:- Investment in Wholly Owned Subsidiary in Singapore

#### **II. Information about the appointee:-**

- Background details:- Mr. Alok Shankar is a highly experienced manager and leader with a track record of success in both mature and emerging markets, including India and Middle East. Before joining Beetel, he was Executive Vice President at Uninor, an Indian mobile network operator majority owned by the Telenor Group. He held a variety of senior positions from 2009 to 2014 at Uninor and in Telenor Asia. Prior to his heading Device Supply Chain for Telenor in Asia, based out of Bangkok, he led the Uninor operations in the Telecom Circles of Bihar and Kolkata as CEO covering the areas of Sales, Distribution, Marketing, Technology, Regulatory and Customer care.
- Past Remuneration :- Rs. 26,014,100/- per annum ( fixed portion is Rs. 17,949,729/- per annum and variable portion is Rs. 8,064,371/- per annum)
- Recognition or Awards:- None.
- Job Profile and his suitability:- Mr. Alok Shankar's career includes appointments as Managing Director of Brightpoint in India, Head of Operations of Brightpoint Middle East and Head of Technology at Brightpoint Middle East, based out of Dubai, UAE. He has also worked for Ernst & Young in their corporate finance practice. He holds a Degree in Mechanical Engineering from DAVV University, Indore in India and is an MBA graduate from

Asian Institute of Management, Manila, Philippines.

- e. Remuneration proposed: - As provided in the resolution.
- f. Comparative remuneration Profile with respect to the Industry, size of the Company, profile of the position and the person:- Though direct comparable data could not be obtained, however, as a normal industry trend, the managerial personnel of companies of comparable size and scale are receiving remuneration above Rs. 25 Mn per annum. The remuneration for Mr. Alok Shankar is commensurate with the experience, qualification and responsibilities entrusted to him by the Board and as prevailing in the Industry.

### III. Other Information:-

- 1) Reason for Loss /inadequate profits:-
  - (a) The Company is in the business of distributing IT and mobility products. For mobility products, there was a drop in the market operating prices (MOP) in March 16 which resulted in a drop of margins.
- 2) Steps taken or proposed to be taken for improvement:  
The Company would be focusing:
  - (a) on mobility business, there is a segregation of markets/territories split w.e.f Q3'16, this would support to maintain market operating prices resulting in better margins;
  - (b) Your company is foraying into new lines of business including service revenue which would further improve the margins;
  - (c) Focus on enhancing business of network solutions having higher gross margins;

(d) Your company is considering distribution of other mobility products during the year;

(e) Your company has also forayed into open distribution of Motorola handsets resulting into higher revenue and margins;

(f) Optimization of operating expenses.

- 3) Expected increase in productivity and profits in measurable terms: -

Your company has established itself as one of the major distributor of mobile handsets in the country and achieved revenue of INR 27,933 million in the financial year 2015-16. In the current financial year, your company expects significant revenue share by capturing the majority market share in fastest growing market of smart phones in India. Apart from increase in the revenue, your company will focus to increase profits by entering into services business and capturing entire food chain of mobility and services.

### IV. Disclosures:-

- a) Remuneration: Subject to the approval of the Central Government, as provided in the resolution, if any.
- b) Period of Appointment: - His appointment was for a term of 5 (five) consecutive years commencing from 30.10.2014 to 29.10.2019. However, he ceases to be in the position of Whole time Director on 7<sup>th</sup> July, 2016.
- c) Termination: His office ceased to exist on 7<sup>th</sup> July, 2016.
- d) Duties and Responsibilities: His duties and responsibilities were subject to superintendence, guidance and control of the Board of Directors.
- e) Past Remuneration: Rs. 26,014,100/- per annum (fixed portion is Rs. 17,949,729/- per annum and variable portion is Rs. 8,064,371/- per annum)

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

**ITEM NO. 7: APPROVAL FOR THE APPOINTMENT OF DEVAL PARIKH AS WHOLE TIME DIRECTOR FOR 5 YEARS**

The Board of Directors of the Company vide its meeting dated 07<sup>th</sup> July 2016 recommends to the Shareholder to approve the appointment of Mr. Deval Parikh (DIN: 03352255) as the Whole Time Director for a period of 5 years commencing from 20<sup>th</sup> September 2016. Further, the Board also recommends to the Shareholders to approve the remuneration of Mr. Deval Parikh amounting to Rs. 26,306,849/-, comprising of fixed salary of Rs. 9,558,356/-, variable salary of Rs. 9,558,356/- (which shall be based on Mr. Deval Parikh's appraisal on 31<sup>st</sup> December, 2016) and other emoluments from 06<sup>th</sup> July 2016 till 31<sup>st</sup> December 2016.

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013:

**II. General Information:-**

- Nature of Industry: - Beetel is a value added distribution house that partners with leading brands and also creates and markets products in the IT, Telecom and Enterprise Solution domain.
- Date or expected date of commencement of commercial production: Existing Company
- In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
- Financial Performance based on given indicators:

(Figures in INR Mn.)

Particulars	Financial Year ended March 31, 2016	Financial Year ended March 31, 2015
Gross Sales	38,952.07	9,996.73
Other Income	22.47	54.64
<b>Profit/(Loss) before Tax</b>	<b>(109.68)</b>	<b>128.72</b>
<b>Profit/(Loss) after Tax</b>	<b>(53.20)</b>	<b>190.85</b>

- Export performance and Net Foreign Exchange Outgo: Foreign Exchange inflow of Rs. 63.87 (Million) and Foreign Exchange outgo- Rs. 16512.83 (Million)
- Foreign Investments or Collaborations: Investment in Wholly Owned Subsidiary in Singapore

**II. Information about the appointee:-**

- Background details: Deval Parikh has been a business leader in the technology space for over a decade in a number of executive roles in the US as well as in India. His experience spans domains of management consulting, venture capital, telecom, and semiconductor industries. Before joining Beetel, he was with Reliance Jio where he was the Senior Vice President looking at a few nationwide initiatives including the head of the youth segment as well as the design and development of the products and services. He has also seen the deployment of state-of-the art LTE and Wi-Fi networks across India and served as an executive CEO of Gujarat. He was one of the founding members of Virgin Mobile in India where he was the Chief Product Officer and helped set up the India operations. He served as a management consultant for PRTM consulting (now PwC) focusing on telecom and technology areas.

He spent his formative years as an engineer at VLSI technology looking after semiconductor process technologies for the manufacture of ASIC's. He holds an MBA from the Kellogg School of Management and Masters in Engineering Management from Northwestern University. He also holds a Bachelors in Chemical Engineering and Economics. Some of his work has been published in global periodicals including the Harvard Business Review.

- b. Past Remuneration: None
- c. Recognition or Awards: None
- d. Job Profile and his suitability: Mr. Deval Parikh career includes appointments as Senior Vice President in Reliance Jio, Chief Product Officer in Virgin Mobile. He holds an MBA from the Kellogg School of Management and Masters in Engineering Management from Northwestern University. He also holds a Bachelors in Chemical Engineering and Economics.
- e. Remuneration proposed: As provided in the resolution.
- f. Comparative remuneration Profile with respect to the Industry, size of the Company, profile of the position and the person: Though direct comparable data could not be obtained, however, as a normal industry trend, the managerial personnel of companies of comparable size and scale are receiving remuneration above Rs. 25 Mn per annum. The remuneration proposed to be paid to Mr. Deval Parikh is commensurate with the experience, qualification and responsibilities entrusted to him by the Board and as prevailing in the Industry.

### III. Other Information:-

- 1) Reason for Loss /inadequate profits:-

- (a) The Company is in the business of distributing IT and mobility products. For mobility products, there was a major drop in the market operating prices (MOP) in March, 2016 which resulted in a drop of margins.

- 2) Steps taken or proposed to be taken for improvement:

The Company would be focusing:

- (a) on mobility business, there is an segregation of markets / territories happening effective 3<sup>rd</sup> quarter of 2016, this would support to maintain market operating prices resulting in better margins;
  - (b) Your company is foraying into new lines of business including service revenue which would further improve the margins;
  - (c) Focus on enhancing business of network solutions having higher gross margins;
  - (d) Your company is considering distribution of other mobility products during the year;
  - (e) Your company has also forayed into open distribution of Motorola handsets resulting into higher revenue and margins;
  - (f) Optimization of operating expenses.
- 3) Expected increase in productivity and profits in measurable terms: -

Your company has established itself as one of the major distributor of mobile handsets in the country and achieved revenue of INR 27,933 million in the financial year 2015-16. In the current financial year, your company expects significant revenue share by capturing the majority market share in fastest growing market of smart phones in India. Apart from increase in the revenue, your company will

focus to increase profits by entering into services business and capturing entire food chain of mobility and services.

#### IV. Disclosures:-

- a) Remuneration: Subject to the approval of the Central Government, as provided in the resolution, if any.
- b) Period of Appointment: Term of 5 (five) consecutive years commencing from 20<sup>th</sup> September, 2016
- c) Termination: The appointment may be terminated by either Party by giving six (6) months' notice in writing of such termination or as may be mutually agreed between the Parties.
- d) Duties and Responsibilities: Mr. Deval Parikh, Whole Time Director shall perform such duties and responsibilities as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.
- e) Past Remuneration: None

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Deval Parikh are in any way, concerned or interested, financially or otherwise, in this resolution

#### ITEM NO. 8: RATIFICATION OF REMUNERATION PAYABLE TO M/S. K. G. GOYAL & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITORS OF THE COMPANY

On the recommendation of the Audit Committee, the Board has approved the appointment of M/s K. G. Goyal & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2016-17 at a remuneration of Rs. 33,000/- per annum, exclusive of reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment and the remuneration of the cost auditor is to be ratified subsequently in accordance to the provisions and rules of the act.

Accordingly, Directors recommend the Ordinary Resolution to be passed by the shareholders for their acceptance.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

For and on behalf of the Board of Directors  
**Beetel Teletech Limited**

Sd/-

Date : 4<sup>th</sup> August, 2016  
Place : Gurgaon

Neeru Bhalla  
(Company Secretary)  
Membership No. ACS 14181

## DIRECTOR'S REPORT

To  
The Members,  
Beetel Teletech Limited

Your Directors have pleasure in presenting the 17<sup>th</sup> Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended on 31<sup>st</sup> March 2016.

### FINANCIAL HIGHLIGHTS

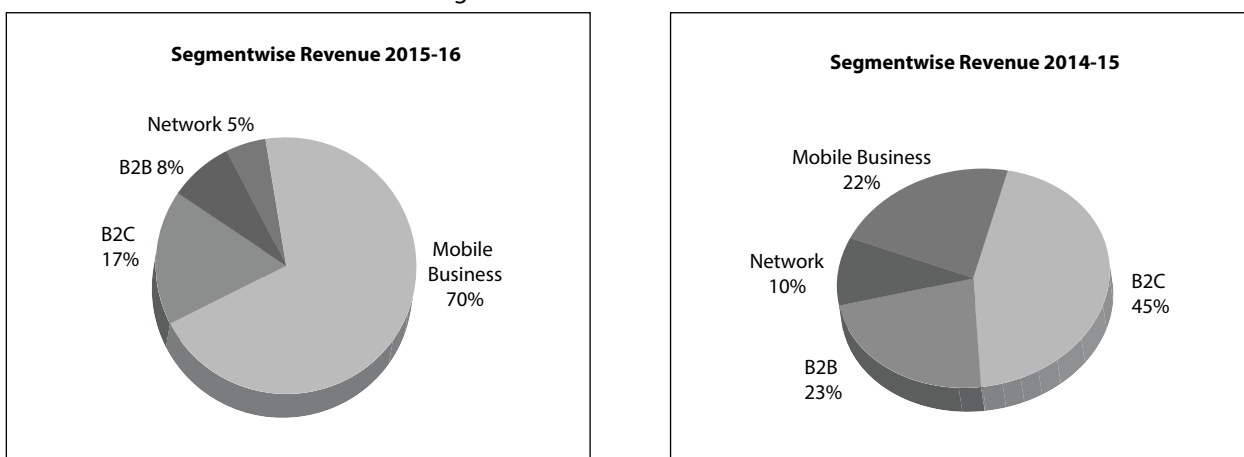
Particulars	Consolidated		Standalone	
	Year Ended 31 <sup>st</sup> March 2016 (Rs. in Mn.)	Year Ended 31 <sup>st</sup> March 2015 (Rs. in Mn.)	Year Ended 31 <sup>st</sup> March 2016 (Rs. in Mn.)	Year Ended 31 <sup>st</sup> March 2015 (Rs. in Mn.)
Net Sales / Other Operating Revenue	40,139.59	10,925.13	38,848.41	9,936.22
Total Expenditure before Depreciation and Finance Costs (Net of expenditure transferred to capital accounts)	39,983.10	10,738.65	38,763.68	9,797.36
Add: Dividend received and other Income	17.10	51.54	22.47	54.64
Less: Finance Costs	190.58	38.21	190.58	38.17
Profit / (loss) before Depreciation, Exceptional Items and Tax	(16.99)	199.81	(83.38)	155.33
Less: Depreciation and Amortization Expense	26.30	26.61	26.30	26.61
Profit/(loss) before Exceptional Items and Tax	(43.29)	173.20	(109.68)	128.72
Add: Profit on Sale of Immovable Property	-	-	-	-
Add: Profit on Sale of Non-current Investments	-	-	-	-
Less: Diminution in Value of investment	-	-	-	-
Profit / (loss) before Tax	(43.29)	173.20	(109.68)	128.72
Less: Provision for Current/Deferred Taxes	(39.88)	54.74	(49.17)	(59.78 )
Less: Prior Years' Tax Adjustments	(6.68)	25.29	(7.31)	26.29
Add: Minimum Alternate Tax credit entitlement	-	28.64	-	28.64
Profit / (loss) after Tax	3.27	231.29	(53.20)	190.85
Surplus brought forward	312.34	81.05	240.51	49.66
Amount available for appropriation Which the Directors recommend should be appropriated as follows:	315.61	312.34	187.31	240.51
(a) Interim Equity Dividend		-		-
(b) Proposed Equity Dividend		-		-
(c) Corporate Dividend Tax		-		-

Particulars	Consolidated		Standalone	
	Year Ended 31 <sup>st</sup> March 2016 (Rs. in Mn.)	Year Ended 31 <sup>st</sup> March 2015 (Rs. in Mn.)	Year Ended 31 <sup>st</sup> March 2016 (Rs. in Mn.)	Year Ended 31 <sup>st</sup> March 2015 (Rs. in Mn.)
(d) Transfer to General Reserve		-		-
(e) Surplus carried forward	315.61	312.34	187.31	240.51

#### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the FY 2015-16 total turnover of your Company was INR 40,139.59 Mn INR, against INR 10,925.13 Mn in FY 2014-15 on a consolidated basis, with a YOY increase of 267%.

The contribution of different business segments in Total Income in FY 2015-16 and FY 2014-15 are shown below :



With respect to your Company's wholly owned subsidiary (Beetel Teletech Singapore Pte Limited), it is pertinent to note that during the FY 2015-16, total turnover was 1291.18 Mn INR, against 9,88.89 Mn INR in the FY 2014-15, with a YOY increase of 30.57%.

Board of Directors of your Company are confident of good performances by Company in coming years.

#### CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the existing businesses of the Company.

#### DIVIDEND

Your Board of Directors have not recommended any dividend with the view to conserve the resources of Company.

#### CHANGES IN SHARE CAPITAL, IF ANY

During the Financial Year 2015-16, there is no change in share capital of the Company.

#### INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Below is the detail of Company which is wholly owned subsidiary of Beetel Teletech Limited :

S. No	Name of the Entity	Type (Subsidiary/ Joint Ventures/ Associate Co.)	Date of become Subsidiary/Joint Ventures/Associate Co.	Date of Ceased to be Subsidiary/ Joint Ventures/Associate Co.
1	Beetel Teletech Singapore Private Limited	Subsidiary	21/12/2011	Not Applicable

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has deposited the unclaimed dividend of Rs. 69,073 which are pending for more than 7 years to the Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi as per applicable provisions of Companies Act 2013 on 19<sup>th</sup> November, 2015. Acknowledgement to this regard has been received by the Company.

## MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

## THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information (**Annexure 1**).

## MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2015-16, the Company held seven (7) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings :

S. No	Date of Meeting	Key Matters Discussed	Name of the Director who attended the meeting	Name of the directors to whom the leave was granted
1	04/05/2015	Take note of resolution passed by circulation, take note of annual disclosures /declaration, to take note of secretarial auditor, appointment of Noel Marsden as Additional Director, nomination of Alok Shankar under Legal Metrology Act etc.	Manoj Kohli, Alok Shankar, Geeta Mathur, Rajesh Madan	Dharshan Nanayakkara
2	27/05/2015	Approval of Audited financials for FY 2014-15, Approval of Director's Report for FY 2014-15, to approve and recommend the remuneration of Alok Shankar for FY 2014-15	Manoj Kohli, Alok Shankar, Geeta Mathur, Rajesh Madan, Dharshan Nanayakkara	Noel Gerald Marsden
3	11/09/2015	To appoint Rahul Bhatnagar as Additional Director w.e.f. 11/09/2015, to take note of resolution passed by circulation	Alok Shankar, Geeta Mathur, Rajesh Madan , Noel Gerald Marsden	Dharshan Nanayakkara
4	11/09/2015	To take note of resignation of Abhay Singh as Company Secretary w.e.f. 11/09/2015, to appoint Neeru Bhalla as the Company Secretary w.e.f. 11/09/2015, to approve the availing if credit facilities of INR 4000 million etc.	Alok Shankar, Geeta Mathur, Rajesh Madan, Noel Gerald Marsden, Rahul Bhatnagar	Dharshan Nanayakkara

5	19/10/2015	To take note of resolution passed by circulation, appointment of secretarial auditor, appointment of internal auditor, approval to deposit unpaid dividend for FY 2007-08 to IEPF etc.	Alok Shankar, Geeta Mathur, Rajesh Madan, Rahul Bhatnagar, Dharshan Nanayakkara	Noel Gerald Marsden,
6	22/12/2015	To take note of resolution passed by circulation on 03/12/2015, to avail the credit facilities of INR 2000 million from HDFC bank	Alok Shankar, Rajesh Madan, Rahul Bhatnagar, Dharshan Nanayakkara	Noel Gerald Marsden and Geeta Mathur
7	16/03/2016	Approval for the appointment of Registrar and Transfer agent w.e.f. 01/04/2016, to approve the remuneration of statutory auditors, to approve the appointment and remuneration of tax auditors for FY 2015-16, to review and approve CSR budget for FY 2015-16	Alok Shankar, Geeta Mathur, Rajesh Madan, Rahul Bhatnagar, Dharshan Nanayakkara	Noel Gerald Marsden,

During the FY 2015-16, four meetings of Audit Committee were held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	27/05/2015	Alok Shankar, Geeta Mathur, Rajesh Madan	-
2	15/07/2015	Alok Shankar, Geeta Mathur, Rajesh Madan	-
3	19/10/2015	Alok Shankar, Geeta Mathur, Rajesh Madan	-
4	16/03/2016	Alok Shankar, Geeta Mathur, Rajesh Madan	-

During the FY 2015-16, two meetings of Nomination & Remuneration Committee were held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	15/07/2015	Geeta Mathur, Rajesh Madan, Manoj Kohli	Dharshan Nanayakkara
2	11/09/2015	Geeta Mathur, Rajesh Madan	Dharshan Nanayakkara

During the FY 2015-16, two meetings of Corporate Social Responsibility Committee were held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	15/07/2015	Alok Shankar, Geeta Mathur, Rajesh Madan, Manoj Kohli	-
2	16/03/2016	Alok Shankar, Geeta Mathur, Rajesh Madan, Rahul Bhatnagar	-

During the FY 2015-16, one meeting of Stakeholder Relationship Committee was held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	16/03/2016	Alok Shankar, Rahul Bhatnagar	Dharshan Nanayakkara

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had 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 and of the profit and loss of the Company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis;
- Company being unlisted sub clause (e) of section 134(3) is not applicable; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **AUDITORS AND AUDITORS' REPORT**

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, conducted the statutory audit for the FY 2015- 2016. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants was appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 16th annual general meeting until the conclusion of 21<sup>st</sup> Annual General Meeting, subject to the ratification of the appointment by the members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013 at such remuneration as may be fixed by the Audit Committee and/or Board of Directors of the Company.

It is proposed to ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as the statutory auditors of the Company to hold office until the conclusion of Eighteenth Annual General Meeting, for the financial year ending on 31<sup>st</sup> March, 2017 at such remuneration as may be fixed by the Audit Committee and/or the Board of Directors.

Their appointment and payment of remuneration are to be approved and ratified in the 17<sup>th</sup> Annual General Meeting by the Shareholders of the Company.

#### **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given any loans or provide any guarantee or made any investments under section 186 of the Companies Act, 2013 during the financial year ended on 31<sup>st</sup> March 2016:

## RELATED PARTY TRANSACTIONS

The Company has entered into various related party transactions as defined under Section 188 of the Companies Act, 2013 and Accounting Standard issued by ICAI with reference to related parties. All these transactions have been carried out by the Company in ordinary course of its business and on arm's length basis. Further all the necessary details of transaction entered with the related parties are attached herewith in Form No. **AOC-2** for your kind perusal and information (**Annexure2**).

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

### (A) Conservation of Energy

Your Company takes appropriate measures to reduce energy consumption by using energy efficient equipment, computers and processes. As an ongoing process your Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.

Continuous study is being made on measures to conserve energy. The results wherever found suitable are implemented from time to time. The implementation of the measures adopted for energy conservation has resulted in savings in energy / fuel consumption/ cost.

### (B) Technology Absorption

During the year research and development was carried out for introducing new telecom products based on advancement in technology. Strong emphasis is given towards developing customized designs of phones based on the requirement of end users, telecom companies. Efforts are also on to improve the productivity levels in the manufacturing facility.

New sources were evaluated and developed for cost reduction and to improve feature of phones. The efforts enable the Company to introduce new products to meet changing market needs. During the year, the Company has increased the focus on product development as per customers' requirements.

The expertise developed by the R&D team would be deployed in manufacturing advanced products indigenously. Details of expenditure on R&D are provided below :

S.No.	Details	31-Mar-16 (INR Mn)	31-Mar-15 (INR Mn)
1	Capital	-	-
2	Recurring	0.16	0.19
3	Total	0.16	0.19
4	Total R & D expenditure as a percentage of total turnover	0.0004%	0.002%

The Company continues to use the latest technology for innovation and improving the productivity and quality of its products and development of new designs/models of telecom instruments. This has introduced technologically advanced user friendly products and has geared itself to achieve better quality and price standards in future.

### (C) Foreign Exchange Earning and Outgo

Details	31-Mar-16 (INR Mn)	31-Mar-15 (INR Mn)
The Foreign Exchange earned in terms of actual inflows during the year	63.87	259.02
The Foreign Exchange outgo during the year in terms of actual outflows	16512.83	5403.12

## RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the year. The elements of risk threatening the Company's existence is very minimal.

## DIRECTORS AND KMP

During the current financial year the following changes have occurred in the constitution of directors and KMP of the Company:

S.No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1	Manoj Kohli	Director	24/02/2014	08/11/2015	Resigned
2	Abhay Singh	Company Secretary	09/01/2015	11/09/2015	Resigned
3	Neeru Bhalla	Company Secretary	11/09/2015	-	-
4	Rahul Bhatnagar	Director	11/09/2015	-	-
5	Noel Gerald Marsden	Director	04/05/2015	-	-

## DEPOSITS

The Company has not accepted any deposits during the year.

## CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the Company has duly constituted CSR Committee.

The CSR Committee consist of following –

S.No	Name	Designation
1	Alok Shankar	Whole-time Director
2	Rajesh Madan	Director
3	Geeta Mathur	Director
4	Rahul Bhatnagar	Additional Director

A detailed working on the profitability of the Company for CSR expenditure and CSR activities undertaken by the Company for the financial year ended on 31st March, 2016 is annexed herewith for your kind perusal and information (**Annexure 3**).

## ANNUAL EVALUATION

The provision of section 134(3) (p) relating to board evaluation is not applicable on the Company.

## INDEPENDENT DIRECTORS AND DECLARATION

Rajesh Madan and Geeta Mathur are the Independent Directors of the Company as per Section 149(10) of the Companies Act, 2013.

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

## NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013 the Company has constituted a Nomination and Remuneration Committee. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Dharshan Nanayakkara	Chairman	Non-Executive Non Independent Director
Rajesh Madan	Member	Non-Executive Independent Director
Geeta Mathur	Member	Non-Executive Independent Director
Rahul Bhatnagar	Member	Non-Executive Non Independent Director

The Terms of Reference of the Nomination and Remuneration Committee are as under:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board on appointment and removal of Directors and shall carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- The Nomination and Remuneration Committee policy ensure that:
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Review the Human Resource function of the Company, if required.
- Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- Make reports to the Board as appropriate.
- Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

## REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

#### Remuneration to Independent Directors:

The Independent Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them as per the terms of their appointment letters.

Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed as **(Annexure 4)**.

#### AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of four directors. The board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Alok Shankar	Chairman	Executive Non Independent Director
Geeta Mathur	Member	Non-Executive Independent Director
Rajesh Madan	Member	Non-Executive Independent Director
Rahul Bhatnagar	Special Invitee	Non-Executive Non Independent Director

#### SECRETARIAL AUDIT REPORT:-

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation.

Further the Secretarial Audit Report as provided by Mr. Saurabh Jain Practicing Company Secretary C/o. M/s. Saurabh Jain & Associates for the financial year ended, 31<sup>st</sup> March, 2016 is annexed herewith for your kind perusal and information **(Annexure 5)**.

#### COST AUDIT

M/s. KG Goyal & Associates has conducted the Cost Audit of the Company for FY 2015-16. There are no qualifications or adverse remarks in the Cost Audit Report which require any clarification/ explanation.

M/s. KG Goyal & Associates, Cost Accountants has been appointed as Cost Auditors of the Company for conducting Cost Audit of the Company for FY 2016-2017 subject to approval of its remuneration by the Shareholders in the 17<sup>th</sup> AGM.

#### HEARING AND RESOLVING CONCERNS AND ISSUES

We have specific processes policies and procedures for dealing with issues and concerns raised by our employees including to report and deal with sexual harassment cases at the workplace. We have also constituted a committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013 for hearing and resolving the cases.

Following are the details of workplace sexual harassment complaint received and resolved :

S.No	Workplace Sexual Harassment Complaint Received	FY 2015-2016
1	No. of complaints received under the Act.	Nil
2	No. of complaints disposed off during the year.	Nil
3	No. of cases pending for more than 90 days.	Nil
4	No. of information sessions/seminar organised during the year.	1
5	Information on Action Taken	Nil

## **VIGIL MECHANISM**

As per Section 177(9) and (10) of the Companies Act, 2013, the Company has established Vigil Mechanism under the overall supervision of Audit Committee, for its employees to report genuine concerns. The Company has adopted the Group ethics helpline toll free number and systems in this regard. Educative materials have been provided to all the employees of the Company in this regard. The procedure established fully safeguards the interest of its stakeholders, Whistle Blowers, Directors and Employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the helpline with necessary guidance has been provided on the website of the Company.

## **ORDER OF COURT**

There are no material adverse orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

## **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

## **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company

For and On behalf of the Board of Directors  
**Beetel Teletech Limited**

Sd/-  
Deval Parikh  
Director  
DIN: 03352255

Sd/-  
Dharshan Nanayakkara  
Director  
DIN:06930415

Date : 28<sup>th</sup> July, 2016

Place : Gurgaon

**Form No. MGT-9**

## EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### Extract of Annual Return of a Company Having a Share Capital

## I Registration and other Details

[illegible]

## II Principal Business Activities of the company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No	Name and Description of Main Products/ Services	NIC Code of Products/Services	% to total turnover of the company
1	Company's branded landline telephones and other products	Division 26: Manufacture of computer, electronic and optical products – Class 2630 – Subclass 26302	3.40
2	Company's distributed/marketd products of other brands	Division 46: Wholesale trade, except of Motor Vehicles and Motor Cycles. – Class 469 – Subclass 46909	96.59

### III Particulars of Holding, Subsidiary and Associates Companies:

S. No	Name and address of the company	CIN/GNL	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1	Brightstar Logistics PTE Limited		Holding Company	51%	Section 2 (87)
2	Beetel Teletech Singapore Private Limited		Subsidiary	100%	Section 2 (87)

### IV Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No of Shares held at the end of year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A.</b>	<b>Promoters</b>									
1	Indians	-	-	-	-	-	-	-	-	-
	Individual/HUF	-	-	-	-	-	-	-	-	-
	Central Govt.	-	-	-	-	-	-	-	-	-
	State Govt.	-	-	-	-	-	-	-	-	-
	Bodies Corp.	2266277	-	2266277	44.50	2266277	-	2266277	44.50	0.00
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	<b>2266277</b>	<b>-</b>	<b>2266277</b>	<b>44.5</b>	<b>2266277</b>	<b>-</b>	<b>2266277</b>	<b>44.50</b>	<b>0</b>
2	Foreign	-	-	-	-	-	-	-	-	-
	NRIs- Individuals	-	-	-	-	-	-	-	-	-
	Other- Individuals	-	-	-	-	-	-	-	-	-
	Bodies Corp.	2586720	-	2586720	51	2596720	-	2596720	51.00	0.00
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	<b>2596720</b>	<b>-</b>	<b>2596720</b>	<b>51</b>	<b>2596720</b>	<b>-</b>	<b>2596720</b>	<b>51.00</b>	<b>0.00</b>
	<b>Total shareholding of Promoter A = (A)(1)+(A)(2)</b>	<b>4862997</b>	<b>-</b>	<b>4862997</b>	<b>95.5</b>	<b>4862997</b>	<b>-</b>	<b>4862997</b>	<b>95.50</b>	<b>0.00</b>
<b>B.</b>	<b>Public Shareholding</b>									
1	Institutions	-	-	-	-	-	-	-	-	-
	Mutual Funds	-	-	-	-	-	-	-	-	-
	Banks/FI	-	-	-	-	-	-	-	-	-
	Central Govt.	-	-	-	-	-	-	-	-	-
	State Govt.	-	-	-	-	-	-	-	-	-
	Venture Capital Fund	-	-	-	-	-	-	-	-	-
	Insurance Co	-	-	-	-	-	-	-	-	-
	FIs	-	-	-	-	-	-	-	-	-
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders		No. of Shares held at the beginning of the year				No of Shares held at the end of year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
	Any Others (Company)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
2	Non Institutions									
	Bodies Corp. Indian	79768	531	80299	1.58	80719	0	80719	1.59	0.01
	Bodies Corp. Overseas	-	-	-	-	-	-	-	-	-
	Individual shareholders holding nominal share capital upto Rs. 1 lakh	56832	91479	148311	2.91	58065	89826	147891	2.90	-0.01
	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
	Any Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (2)	136600	92010	228610	4.49	138784	89826	228610	4.49	0.00
	Total Public shareholding B =(B) (1)+(B)(2)	136600	92010	228610	4.49	138784	89826	228610	4.49	0.00
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total =A+B+C	4999597	92010	5091607	100	5001781	89826	5091607	100	0

ii) Shareholding of promoters

S. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Bharti (SBM) Holdings Private Limited	1007235	19.78	-	1007235	19.78	-	0.00
2	Bharti (RM) Holdings Private Limited	629521	12.36	-	629521	12.36	-	0.00
3	Bharti (RBM) Holdings Private Limited	629521	12.36	-	629521	12.36	-	0.00
4	Brightstar Logistics PTE Limited	2596720	51.00	-	2596720	51.00	-	0.00

iii) Change in Promoters' Shareholding ( please specify, if there is no change)

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	4862997	95.50	4862997	95.50
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	4862997	95.50	4862997	95.50

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 01 April, 2015)		Shareholding at the end of the year (as on 31 March, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Harsha Hitesh Javeri	8846	0.17	8846	0.17
2	Sajjid A Khan	2610	0.05	2610	0.05
3	Rasila Shantilal Mehta	1500	0.03	1500	0.03
4	Rasila Shantilal Mehta	1026	0.02	1026	0.02
5	Bharti Enterprises Limited	80299	1.58	80719	1.59
6	Indrakala Gattani	840	0.02	840	0.02
7	Rajiv Chaudri	631	0.01	631	0.01
8	S Vijaylakshmi	600	0.01	600	0.01
9	Leelu Bhagwan Wadhwani	592	0.01	592	0.01
10	Rasila Shantilal Mehta	513	0.01	513	0.01

v) Shareholding of Directors and Key Managerial Personnel:

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loan	Unsecured Loan	Deposit	Total
Indebtness at the begning of the year				
Principal Amount	740,891,420	-	-	740,891,420
Interest due but not paid	-	-	-	-
Interest accrued but not due	1,810,314	-	-	1,810,314
Total	742,701,734	-	-	742,701,734
Change in Indebtedness during the financial year				
Addition	187,843,623	-	-	187,843,623
Reduction	-	-	-	-
Net Change	187,843,623	-	-	187,843,623
Indebtedness at the end of the financial year				
Principal Amount	928,735,043	-	-	928,735,043
Interest due but not paid	-	-	-	-
Interest accrued but not due	3,54,795	-	-	-
Total	929,089,838	-	-	929,089,838

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt. in Rs.)

S. No	Particulars of Remuneration	Mr. Alok Shankar, Whole Time Director		Total Amount
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,292,924		26,292,924
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	as % of profit	-		-
	others, specify...	-		-
5	Others, please specify	-		-
	Total (A)	26,292,924		26,292,924
	Ceiling as per the Act	4,200,000		4,200,000

b. Remuneration to other directors:

S. No	Particulars of Remuneration	Name of Directors		Total Amount
1	Gross salary	-	-	-
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Independent Directors	Rajesh Madan	Geeta Mathur	-
	Fee for attending board / committee meetings	900,000	840,000	1,740,000
	Commission	-	-	-
	Others, specify...	-	-	-
	Total (1)	900,000	840,000	1,740,000
4	Other Non-Executive Directors	-	-	-
	Fee for attending board / committee meetings	-	-	-
	Commission	-	-	-
	Others, specify...	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	900,000	840,000	1,740,000
	Overall Ceiling as per the Act	NA	NA	NA

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in Rs.)

1	Gross salary	Neeru Bhalla, Company Secretary	Abhay Singh, Company Secretary	Puneet Khanna, CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,524,598	1,190,184	10,687,242	13,402,024
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	1,524,598	1,190,184	10,687,242	13,402,024

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## Annexure 2

### Related Party transaction details for FY 2015-16

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	None							

#### 2. Details of material contracts or arrangement or transactions at arm's length basis (Fig. in INR Mn.)

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Audit Committee/ Board	Amount paid as advances, if any:
1	Beetel Teletech Singapore Private Limited	Charges regarding Corporate Guarantee Share of common expenses Rent Received	Ongoing	10.34	15 <sup>th</sup> July, 2015 16 <sup>th</sup> March 2016	-
2	Brightstar Logistics Pte Ltd.	Expenses on behalf of Related Party	Ongoing	12.44	15 <sup>th</sup> July, 2015	-
3	Bharti Reality Holdings Ltd.	Maintenance charges	Ongoing	8	15 <sup>th</sup> July, 2015	-
4	Brightstar FZE	Expenses on behalf of the related party	Ongoing	0.25	15 <sup>th</sup> July, 2015	-
5	Brightstar Logistics Pty Ltd.	Purchase of Goods and Services Expenses by us on behalf of Related Party Expenses on behalf of Related Party Management fee	Ongoing	32.25	15 <sup>th</sup> July, 2015 16 <sup>th</sup> March 2016	-
6	Brightstar Corp	Purchase of Hand phones for resell Expenses on behalf of the related party Expenses by us on behalf of related party	Ongoing	1013	15 <sup>th</sup> July, 2015	-
7	Brightstar Supply Chain Services Sd (Malaysia)	Expenses incurred by Related parties on behalf of us	Ongoing	1.31	15 <sup>th</sup> July, 2015	-
8	Brightstar Telecom Services Pvt. Ltd.	Expenses incurred by Related parties on behalf of us	Ongoing	0.3	16 <sup>th</sup> March 2016	-

3. Related party transaction as per AS-18 (As disclosed in the Audited Financials) (Fig. in INR Mn.)

Description	Holding Company		Ultimate Holding Company		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Sales of goods and services</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	516.03	-	516.03
<b>Purchase of goods &amp; services</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	3.57	-	3.57
Bharti Reality Holding Limited	-	-	-	-	-	-	-	-	-	-	-	3.67	-	3.67
Bharti Axa General Insurance Co. Limited	-	-	-	-	-	-	-	-	-	-	-	1.50	-	1.50
Brightstar Corp	-	-	266.96	-	-	-	-	-	-	-	-	-	266.96	-
<b>Expenses Incurred by related parties on behalf of the Company</b>														
Brightstar Logistics Pte. Ltd	6.44	4.95	-	-	-	-	-	-	-	-	-	-	6.44	4.95
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	0.01	9.46	-	-	-	-	0.01	9.46
Brightstar FZE	-	-	-	-	-	-	0.25	0.68	-	-	-	-	0.25	0.68
Brightstar NZ Limited	-	-	-	-	-	-	-	0.41	-	-	-	-	-	0.41
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	-	-	0.38	-	-	-	-	-	0.38	-
Brightstar Telecom Service Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
<b>Expenses Incurred by Company on behalf of related parties</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	6.90	-	6.90
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	-	4.28	-	-	-	-	-	4.28
Brightstar Corp	-	-	-	0.46	-	-	-	-	-	-	-	-	-	0.46
Beetel Teletech Singapore Private Limited	-	-	-	-	6.41	4.57	-	-	-	-	-	-	6.41	4.57
<b>Purchase of Capital item</b>														
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	2.58	1.54	-	-	-	-	2.58	1.54

Description	Holding Company		Ultimate Holding Company		Subsidiary		Fellow Subsidiaries		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	-	-	0.38	1.16	-	-	-	-	0.38	1.16
<b>Service Fees Received</b>														
Beetel Teletech Singapore Private Limited	-	-	-	-	4.56	4.00	-	-	-	-	-	-	4.56	4.00
<b>Service Fee Paid</b>														
Brightstar Logistic Pty Ltd.	-	-	-	-	-	-	22.48	-	-	-	-	-	22.48	-
<b>Remuneration (refer note)</b>														
Mr. Suresh Gupta	-	-	-	-	-	-	-	-	-	20.52	-	-	-	20.52
Mr. Alok Shankar	-	-	-	-	-	-	-	-	27.36	11.91	-	-	27.36	11.91
<b>Rent Received</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	7.80	-	7.80
<b>Rent Paid</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	1.51	-	1.51
<b>Due to</b>														
Brightstar Logistics Pte. Ltd	8.57	3.64	-	-	-	-	-	-	-	-	-	-	8.57	3.64
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	18.39	3.60	-	-	-	-	18.39	3.60
Brightstar FZE	-	-	-	-	-	-	-	0.68	-	-	-	-	-	0.68
Brightstar NZ Limited	-	-	-	-	-	-	-	0.30	-	-	-	-	-	0.30
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	-	-	1.26	0.92	-	-	-	-	1.26	0.92
Brightstar Telecom Service Pvt Ltd	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
Brightstar Corp	-	-	267.92	-	-	-	-	-	-	-	-	-	267.92	-
Bharti Reality Holding Limited	-	-	-	-	-	-	-	-	-	-	-	0.48	-	0.48
<b>Due from</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	199.45	-	199.45
Brightstar Corp	-	-	-	0.46	-	-	-	-	-	-	-	-	-	0.46

**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1 The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas to adhere to Progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs. The Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

- 2 The Composition of the CSR Committee :

S. No	Name of the Member
1	Rahul Bhatnagar
2	Rajesh Madan
3	Geeta Mathur
4	Alok Shankar

- 3 Average net profit of the company for last three financial years :

(Amount in Rs.)

Financial Year	Net Profit/Net Loss (-)
F.Y. 12-13	(203,874,062.26)
F.Y. 13-14	144,322,536.02
F.Y. 14-15	129,365,864.13
Total net profit for 3 years	69,814,337.89
Average net profit of the company for last three financial years	23,271,445.96

- 4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs. 465,429

- 5 Details of CSR spent during the financial year :

- a. Total amount to be spent for the financial year; Rs. 465,429
- b. Amount unspent, if any; NA
- c. Manner in which the amount spent during the financial year is detailed below :

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*

1	Rural Development Project	Infrastructure sector	Humbran Gram Panchayat in Ludhiana	INR. 100,000	INR. 100,000	INR. 100,000	Amount spent through Humbran Gram Panchayat in Ludhiana
2	To support quality education programs of Bharti Foundation for underprivileged children across the country	Eductaion Sector	Schools run by Bharti Foundation located all over India	INR. 3,65,429	INR. 3,65,429	INR. 3,65,429	Amount spent through Bharti Foundation

6 Not applicable

7 CSR Committee declares that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

## Annexure 4

### Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

(in Rs.)

S. No	Name of the Employee	designation of the employee	remuneration received	nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	Alok Shankar	Chief Executive Officer	26,292,924	Permanent	BE(Mech.)MBA	10/1/2014	46	Brightpoint India	Nil	No
2	Puneet Khanna	CFO	10,687,242	Permanent	B.Com, FCA (22 years)	10/6/2014	46	American Tower	Nil	No
3	Sanjeev Chhabra	Vice President	6,821,545	Permanent	BE (Electronics) (19 years)	19/5/2008	42	Ingram Micro India Pvt Ltd	Nil	No
4	Rajendra K Singh	GM	5,172,726	Permanent	B.SC MBA (Marketing) (19 years)	1/7/2010	41	HCL Info Systems Ltd	Nil	No
5	Sanjeev M Patil	Vice President	5,045,850	Permanent	BE(Electrical) (24 years)	2/11/2009	46	MRO-TEK	Nil	No
6	Puneet Narang	Vice President	4,542,169	Permanent	BCE, MBA (7 years)	1/11/2015	41	Redington India	Nil	No
7	Arun Verma	Vice President	4,347,799	Permanent	BE (Mech.) Master PM (14 years)	25/6/2015	41	Xerox India Ltd.	Nil	No
8	Munish Chawla	DGM	2,693,854	Permanent	PG Sales & Mkt. (20 years)	19/2/2016	42	Redington India	Nil	No
9	Jitan Anand	DGM	2,231,191	Permanent	B.Com, CA, CFA (14 years)	31/7/2015	40	Sistema Shyam Teleservices Ltd	Nil	No
10	Bunty Rohatgi	Vice President	484,196	Permanent	BE, MMS ( 20 years)	04/02/2012 (Resigned 04/01/2015)	45	HCL Infinet Ltd.	Nil	No

#### Note:

The board's report shall include a statement showing the name of top ten employee of the company in terms of remuneration drawn and the name of every employee , who

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh and fifty thousand per month.
- if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

**Form No. MR-3**  
**Secretarial Audit Report**

For the financial year ended 31.03.2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
Beetel Teletech Limited  
First Floor, Plot No. 16,  
Udyog Vihar, Phase IV,  
Gurgaon (HR) - 122015

**CIN No.: U32204HR1999PLC042204**

**Authorised Capital: Rs. 10 Crore**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Beetel Teletech Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Beetel Teletech Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information/representations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Beetel Teletech Limited for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; -NA
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -NA
  - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; -NA
  - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -NA
  - IV. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -NA
  - V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -NA

- VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-NA
- VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; NA
- VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; NA
- (vi) The other laws as applicable specifically on the Company
  - a. **Labour and Industrial Laws** such as The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, Equal Remuneration Act, 1976, Contract Labour (Regulation and Abolition) Act, 1970, Maternity Benefit Act, 1961, The Apprentices Act, 1961, The Child Labour (Prohibition & Abolition) Act, 1960, Employees' Compensation Act, 1923; Factories Act, 1948, Industrial Dispute Act, 1947, Industrial (Development & Regulation) Act, 1951
  - b. **Environmental Laws** such as Environment Protection Act, 1986, Water (Prevention & Control of Pollution) Act, 1974.
  - c. Financial Laws such as Income Tax Act, 1961, Service Tax Act (Finance Act, 1994), State & Central Sales (VAT) Act (Central Sales Tax Act, 1956), Central Excise Act, 1944, Customs Act, 1962.
  - d. Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 & rules there made therein.
  - e. IPR (Intellectual Property Rights) Laws such as Trade Mark Act, 1999, Copyrights Act, 1957, Patent Act, 1970.
  - f. Other laws to the extent applicable are Registration Act, 1908, Indian Stamp Act, 1899, Limitation Act, 1963, Transfer of Property Act, 1882, Indian Contract Act, 1872, Negotiable Instrument Act, 1881, Sales of Goods Act, 1930, Information Technology Act, 2000, Consumer Protection Act, 1986, Competition Act, 2002, Legal Metrology Act, 2009.

**We have also examined compliance with the applicable clauses of the following:**

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; -NA

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- I. That the Company has maintained statutory registers and records under the provisions of Companies Act, 2013;
- II. That the Company has filed all the forms, returns, documents and resolutions with the Registrar of Companies, Delhi & Haryana prescribed under the Act and rules made there under.
- III. That the Board has duly met 7 (Seven) times i.e. on 04<sup>th</sup> May, 2015, 27<sup>th</sup> May, 2015, 11<sup>th</sup> September, 2015, 11<sup>th</sup> September, 2015, 19<sup>th</sup> October, 2015, and 22<sup>nd</sup> December 2015 and 16<sup>th</sup> March, 2016 during the year. Audit Committee met 4 (four) times on 27<sup>th</sup> May, 2015, 15<sup>th</sup> July 2015, 19<sup>th</sup> October, 2015 and 16<sup>th</sup> March 2016; and Nomination and Remuneration Committee (formerly known as Remuneration and ESOP Committee) duly met 2 (two) times on 15<sup>th</sup> July, 2015 and 11<sup>th</sup> September, 2015 during the year. CSR committee met 2(two) times on 15<sup>th</sup> July, 2015 and 16<sup>th</sup> March, 2016 during the year and Stakeholder relationship committee met 1(One) time on 16<sup>th</sup> March, 2016 during the year.
- IV. That the Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2015 was held on 08<sup>th</sup> September, 2015.

- V. That the Company has deposited the unclaimed dividend pending for more than seven years to the Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi pursuant to Section 205 of the Companies Act, 1956.
- VI. That the Company has appointed Mr. Rahul Bhatnagar as an Additional Director with effect from 11th September 2015.  
  
Mr. Noel Gerald Marsden has been appointed as an Additional Director with effect from 04th May, 2015 in the company and has been re-appointed as a Director of the company in the annual general meeting dated 08th September 2015.  
  
Further Mr. Manoj Kumar Kohli has resigned from the post of the directorship of the company.  
  
The Company has re-constituted its various Committees as per the provisions of the Companies Act, 2013;
- VII. That Mr. Abhay Singh, Company Secretary, has resigned w.e.f. 11<sup>th</sup> September, 2015 and in his place Ms. Neeru Bhalla has been appointed as Company Secretary w.e.f. 11<sup>th</sup> September, 2015, for which the provisions of Companies Act, 2013 has been complied with;
- VIII. That the shares of the Company are in dematerialized and in physical form. In respect of The shares which are in dematerialized form with the depositories, an agreement has been entered between the Company and the Depository initially in the year 1993 and has been amended/revised from time to time;
- IX. That the Company has adopted and/or filed Share Capital Audit Report issued by a Practising Company Secretary with respect to the reconciliation of shares as per clause 55A of SEBI (Depositories and Participants) Regulations, 1996 for the quarter ending 30<sup>th</sup> June, 2015, 30<sup>th</sup> September, 2015, 31<sup>st</sup> December, 2015 and 31<sup>st</sup> March, 2015 respectively;

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent in as per the provisions of Companies Act, 2013 and secretarial standards and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board decisions are taken unanimously and recorded in the Minutes Book of the Company during the period under review.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has no other specific event required to be reported except above mentioned.

**For Saurabh Jain & Associates  
Company Secretaries**

Sd/-

**Proprietor**

**Saurabh Jain**

**Membership No: 23427**

**C P No.: 11247**

Place : Delhi

Date : 4<sup>th</sup> June, 2016

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE

To the Members of Beetel Teletech Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BEETEL TELETECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 the 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. An audit also includes evaluating the appropriateness of the 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 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 purposes 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, the Statement of Profit and Loss, and the 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 prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)

Place : Gurgaon  
Date: 7<sup>th</sup> July, 2016

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **BEETEL TELETECH LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over

financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: Gurgaon

Date: 7<sup>th</sup> July, 2016

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of the lenders confirmations in respect of immovable properties of land and buildings whose title deeds have been mortgaged as security for loans, we report that these title deeds are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Sections 185 and 186 of the Companies Act, 2013, hence, reporting under clause (iv) of Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where the Dispute is pending	Period to Which Amount Pertains	Amount Involved* (Rs. In million)	Amount Unpaid (Rs. In million)
Finance Act, 1944	Service Tax	CESTAT	2005-06 to 2007-08	2.83	1.46
Income Tax Act, 1961	Income Tax	ITAT	2003-2004	6.52	6.52
Income Tax Act, 1961	Income Tax	Assessing Officer	2006-07 and 2007-08	0.87	0.87
VAT Act	VAT	Appellate Authority	1995-98 2005-06, 2007-08 to 2012-13 and 2015-16	206.22	194.11
VAT Act	VAT	High Court	1991-92 to 1997-98, 2000-01 and 2006-07	156.71	76.37
Customs Act, 1962	Customs duty	CESTAT	1996-97 and 2001-02	12.46	12.46
Excise Act, 1944	Excise duty	CESTAT	2000-01 and 2001-02	4.75	1.05
VAT Act	VAT	VAT Tribunal	2007-2008, 2008-09 to 2012-13	5.17	2.63

\*amount as per demand orders including interest and penalty wherever quantified in the order.

The following matters have been decided in favour of the Company, although the department has preferred appeals at higher levels:

Name of the Statute	Nature of Dues	Forum where the Dispute is pending	Period to Which Amount Pertains	Amount Involved* (Rs. In million)	Amount Unpaid (Rs. In million)
Income Tax Act, 1961	Income Tax	ITAT	2004-2005	3.96	3.96

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan or borrowings from Financial institutions and government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under clause (xvi) of CARO 2016 is not applicable to the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: Gurgaon

Date: 7<sup>th</sup> July, 2016

## STANDALONE BALANCE SHEET as at 31 March 2016

(Rs. in Mn.)

PARTICULARS	Notes	As at 31-Mar-16	As at 31-Mar-15
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	50.92	50.92
Reserves and surplus	5	221.58	274.78
		<b>272.50</b>	<b>325.70</b>
<b>Non-current liabilities</b>			
Other long term liabilities	6	7.63	11.16
Long term provisions	7	25.20	22.78
		<b>32.83</b>	<b>33.94</b>
<b>Current liabilities</b>			
Short term borrowings	8	928.74	740.89
<b>Trade payables</b>	9		
- payables to micro and Small enterprises		3.41	-
- other payables		9,166.25	2,345.52
Other current liabilities	10	223.40	63.80
Short term provisions	7	219.41	173.20
		<b>10,541.21</b>	<b>3,323.41</b>
<b>TOTAL</b>		<b>10,846.54</b>	<b>3,683.05</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	73.38	86.47
Intangible assets	12	7.17	6.61
Capital work in progress		0.72	2.63
Investment	13	-	-
Deferred Tax Assets(net)	14	128.25	79.08
Long term loans and advances	15	243.63	138.52
Other non-current assets	16	4.05	8.96
		<b>457.20</b>	<b>322.27</b>
<b>Current assets</b>			
Inventories	17	3,462.61	1,410.90
Trade receivables	18	6,277.54	1,716.86
Cash and bank balances	19	9.53	68.76
Short term loans and advances	15	623.22	158.44
Other current assets	16	16.44	5.82
		<b>10,389.34</b>	<b>3,360.78</b>
<b>TOTAL</b>		<b>10,846.54</b>	<b>3,683.05</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For Deloitte Haskins and Sells LLP**

**ICAI Firm registration number:117366W/W-100018**

Chartered Accountants

**Vijay Agarwal**

**Partner**

**Membership No: 094468**

**Place : Gurgaon**

**Date : 7<sup>th</sup> July, 2016**

**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**

**Alok Shankar**

**Director**

**(DIN:01122940)**

**Neeru Bhalla**

**Company Secretary**

**Dharshan Nanayakkara**

**Director**

**(DIN: 06930415)**

**Puneet Khanna**

**Chief Financial Officer**

## STANDALONE PROFIT AND LOSS ACCOUNT for the year ended 31 March 2016

(Rs. in Mn.)

PARTICULARS	Notes	Year Ended 31-Mar-16	Year ended 31-Mar-15
<b>INCOME</b>			
Revenue from operations(gross)	20	38,952.07	9,996.73
Less: Excise duty		103.66	60.51
<b>Revenue from Operations(net)</b>		38,848.41	9,936.22
Other income	21	22.47	54.64
<b>Total Revenue (I)</b>		<b>38,870.88</b>	<b>9,990.86</b>
<b>EXPENDITURE</b>			
Cost of raw material and components consumed	22	527.54	300.33
Purchases of stock-in-trade (traded goods)	23	39,287.02	9,617.74
(Increase)/decrease in inventories of finished goods, work in progress and stock-in-trade	23	(2,065.60)	(1,013.28)
Employee benefits expenses	24	456.48	335.21
Other expenses	25	558.24	557.36
<b>Total (II)</b>		<b>38,763.68</b>	<b>9,797.36</b>
<b>Earning before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)</b>		<b>107.20</b>	<b>193.50</b>
Financial cost	26	190.58	38.17
Depreciation and amortisation	27	26.30	26.61
<b>Profit/(loss) before Tax</b>		<b>(109.68)</b>	<b>128.72</b>
<b>PROVISION FOR TAX</b>			
- Current Tax expense		-	19.30
- Short / (Excess) provision for tax relating to prior years		(7.31)	26.29
- MAT credit entitlement		-	(28.64)
- Deferred Tax credit		(49.17)	(79.08)
Total Tax Expense		(56.48)	(62.13)
<b>Profit/(loss) after tax</b>		<b>(53.20)</b>	<b>190.85</b>
<b>Earning/(loss) per share- basic and diluted (Nominal Value of Share Rs. 10/- each (Previous year Rs. 10/- each))</b>	28	<b>(10.45)</b>	<b>37.57</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For Deloitte Haskins and Sells LLP**
**ICAI Firm registration number:117366W/W-100018**

Chartered Accountants

**Vijay Agarwal**
**Partner**
**Membership No: 094468**
**Place : Gurgaon**
**Date : 7<sup>th</sup> July, 2016**
**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**
**Alok Shankar**
**Director**
**(DIN:01122940)**
**Neeru Bhalla**
**Company Secretary**
**Dharshan Nanayakkara**
**Director**
**(DIN: 06930415)**
**Puneet Khanna**
**Chief Financial Officer**
**BEETEL TELETECH LIMITED**

(A Brightstar Company)

## STANDALONE CASH FLOW STATEMENT for the year ended 31 March 2016

(Rs. in Mn.)

PARTICULARS	Year Ended 31-Mar-16	Year Ended 31-Mar-15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax	(109.68)	128.72
<b>Adjustments for :</b>		
Depreciation/amortisation	26.30	26.61
Unrealised exchange difference (net)	23.48	6.00
Interest expense	190.58	38.17
Lease equalisation reserve	(0.33)	1.33
Bad debts/amounts written off	0.76	18.12
Liabilities written back	(1.85)	-
Provision for doubtful debts	3.27	8.84
Provision for Obsolete/Slow Moving Stock	10.74	5.15
Provision for doubtful advances/claim	1.28	4.40
Interest income	(6.09)	(5.94)
Provision for Diminution in value of investment	-	(455.00)
(Profit)/loss on sale of investments (current)	-	455.00
(Profit)/loss on sale of fixed assets	(0.05)	0.63
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>138.41</b>	<b>232.03</b>
<b>Movements in working capital:</b>		
(Increase)/decrease Non current loans and advances	(6.75)	(1.35)
(Increase)/decrease in current loans and advances	(475.05)	(77.88)
(Increase)/decrease in current other current assets	(11.83)	0.28
(Increase)/decrease in current trade receivables	(4,564.11)	(1157.46)
(Increase)/decrease in inventories	(2,062.45)	(1023.28)
Increase/(decrease) in current liabilities	6,960.41	1523.26
Increase/(decrease) in current Provisions	53.21	(15.54)
Increase/(decrease) in Non Current Liability	-	0.00
Increase/(decrease) in non-current Provision	2.42	(4.31)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>34.26</b>	<b>(524.25)</b>
Direct taxes paid	(90.38)	1.77
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(56.12)</b>	<b>(522.48)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds of current investments	-	45.00
Proceeds/(repayment) bank balance not considered as cash and cash equivalents	(0.16)	(0.32)
Proceeds from sale of fixed assets	0.28	0.65
Purchase of fixed assets including CWIP	(11.34)	(19.27)
Interest received	7.30	5.54
Proceeds from Investments in deposits	4.91	0.00
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>0.99</b>	<b>31.60</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(192.04)	(36.64)
Proceeds from Issue of Shares	-	3.78
Proceeds/(repayment) of bank borrowings	187.85	568.94
Dividends paid(including dividend tax)	(0.07)	(0.06)
<b>NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(4.26)</b>	<b>536.02</b>
<b>NET INCREASE/( DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(59.39)</b>	<b>45.14</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>66.90</b>	<b>21.76</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7.51</b>	<b>66.90</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.06	0.10
In current accounts	7.45	66.80
Total cash and cash equivalents as per note 19	7.51	66.90
<b>Cash and cash equivalents at the end of the year</b>	<b>7.51</b>	<b>66.90</b>

Figures in brackets indicate cash out flow.

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For Deloitte Haskins and Sells LLP**

**ICAI Firm registration number:117366W/W-100018**

Chartered Accountants

**Vijay Agarwal**

**Partner**

**Membership No: 094468**

**Place : Gurgaon**

**Date : 7<sup>th</sup> July, 2016**

**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**

**Alok Shankar**

**Director**

**(DIN:01122940)**

**Neeru Bhalla**

**Company Secretary**

**Dharshan Nanayakkara**

**Director**

**(DIN: 06930415)**

**Puneet Khanna**

**Chief Financial Officer**

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1. Corporate information

Beetel Teletech Limited ('The Company') was incorporated in India on March 30, 1999. The Company is engaged in trading of landline phones, modems, smart phones, storage devices, information technology peripherals, network equipments, board room solutions, DTH devices, display devices, voice and data products. The Company is also engaged in manufacturing of landline phones.

### 2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the 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. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 3. Summary of significant accounting policies

#### a) Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Auditing Practices ("Indian GAAP") requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based on 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 amount of assets or liabilities in future periods.

#### b) Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### c) Depreciation

Fixed assets (other than Building, Moulds and Computer software) are depreciated to the extent of 95% of their gross value. Depreciation is provided on a straight-line method over the useful life of the assets estimated by the management.

Asset Category	Useful lives (years)
Building-factory*	20
Plant & machinery (other than moulds and office equipments)*	10
Moulds*	2
Office equipments	5

Asset Category	Useful lives (years)
Furniture & fixtures*	5
Computers*	3
Mobile Phones*	2

Leasehold improvement is being amortized over the period of lease.

Fixed assets costing up to Rs. 5,000 are being fully depreciated in the year of acquisition.

\*For these class of assets, based on internal assessment and technical evaluation carried out by the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

#### d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Major Computer software in the nature of ERP license is amortized over a period of 5 years and other softwares are charged off within one year of purchase.

#### f) Leases

##### Where the Company is a lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### Where the company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in

the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**g) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**h) Inventories**

**Raw materials, stores and spare parts**

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.

**Work-in-progress and finished goods**

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Revenue is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer which generally coincides with delivery of goods to the buyer. Net sales are exclusive of excise duty and sales tax. Gross sales include export incentive and service income.
- ii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- iii) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

**j) Foreign currency transactions**

**i) 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.

**ii) Conversion**

Foreign currency monetary items are reported using the closing rate. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Transactions denominated in foreign currencies are recorded in the reporting currency at exchange rate prevailing at the date of transaction.

**iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expense in the period in which they arise except those arising from investments in non-integral operations

**iv) Forward exchange contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. Also refer notes (r) below.

**k) Retirement and other employee benefits**

- i) Retirement benefits in the form of Provident Fund and employee state insurance scheme are a defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The contributions are made to funds administered and managed by the government of India. There are no other obligations under these plans beyond its contributions.
- ii) Gratuity are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The contribution towards gratuity is made to Life Insurance Corporation.
- iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

**l) Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there

is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**m) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Fair value is determined by using Black Scholes Option Pricing Model. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**n) Segment accounting**

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Un-allocable Expenditure".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Income".
- iv. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

**o) Earnings/(loss) per share**

Basic earnings 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.

**p) Provision**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined

based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

#### **Warranty provisions**

Provisions for warranty related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

#### **q) Cash and cash equivalents**

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

#### **r) Derivative instruments**

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under Accounting Standard 11 are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored. Accounting policy for forward exchange contracts is given in point (iv) of note (j) above.

#### **s) Contingent liability**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence or 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.

#### **t) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations before exceptional items, if any. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and tax expenses.

### **4. Share capital**

Rs. in Mn.

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
<b>Authorized shares</b>		
10,000,000 (31 Mar 2015: 10,000,000) equity shares of Rs. 10 each	100.00	100.00
<b>Issued, subscribed and fully paid-up shares</b>		
5,091,607 (31 Mar 2015: 5,091,607) equity shares of Rs. 10 each	50.92	50.92

#### **(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares

Rs. in Mn.

	<b>31-Mar-16</b>		<b>31-Mar-15</b>	
	<b>No. Mn.</b>	<b>Rs. in Mn.</b>	<b>No. Mn.</b>	<b>Rs. in Mn.</b>
At the beginning of the year	5.09	50.92	5.07	50.70
Issued during the year	-	-	0.02	0.22
Outstanding at the end of the year	5.09	50.92	5.09	50.92

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates.

Out of the equity Shares issued by company, shares held by holding company are as below:

Rs. in Mn.

<b>Name of the Holding company</b>	<b>As at 31-Mar-2016</b>	<b>As at 31-Mar-2015</b>
Brightstar Logistics Pte Ltd 2.59 Mn (31 Mar 2015: 2.59) equity shares of Rs. 10 each fully paid)	25.9	25.9

Effective October 1, 2014 51% share capital of the Company was acquired by Brightstar Logistics Pte Ltd, post which it became the holding company.

(d) The Company has not issued any bonus shares, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

(e) Details of shareholders holding more than 5% shares in the Company :

Rs. in Mn.

<b>Name of the shareholder</b>	<b>As at 31-Mar-16</b>		<b>As at 31-Mar-15</b>	
	No. Mn.	% holding	No. Mn.	% holding
Equity shares of Rs. 10 each fully paid Brightstar Logistics Pte Ltd.	2.59	51.00%	2.59	51.00%
Bharti (RM) Holdings Private Limited	0.63	12.36%	0.63	12.36%
Bharti (SBM) Holdings Private Limited	1.01	19.78%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%

**5. Reserves and surplus**

Rs. in Mn.

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
<b>Capital reserve</b>	2.50	2.50
<b>Employee stock options outstanding</b>		
Gross employee stock compensation for options granted in earlier years	-	1.74
Less: amount transferred to Securities premium on exercise of stock options	-	(1.71)
Less: amount transferred to General Reserve	-	(0.03)

	31-Mar-16	31-Mar-15
<b>Closing Balance</b>	-	-
<b>Securities Premium account</b>		
Opening balance	5.27	-
Add: additions on ESOPs exercised	-	5.27
<b>Closing Balance</b>	<b>5.27</b>	<b>5.27</b>
<b>General reserve</b>		
Opening balance	26.50	26.47
Add: amount transferred from employee stock option outstanding upon cancellation/forfeiture	-	0.03
<b>Closing Balance</b>	<b>26.50</b>	<b>26.50</b>
<b>Surplus /(deficit) in the statement of profit and loss</b>		
Opening balance	240.51	49.66
Profit / (loss) for the year	(53.20)	190.85
<b>Net surplus in the statement of profit and loss</b>	<b>187.31</b>	<b>240.51</b>
<b>Total Reserves and Surplus</b>	<b>221.58</b>	<b>274.78</b>

**6. Other Long-term liabilities** Rs. in Mn.

	31-Mar-16	31-Mar-15
Lease equalization reserve	7.63	11.16
	<b>7.63</b>	<b>11.16</b>

**7. Provisions** Rs. in Mn.

	Long-term		Short-term	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 29(i))	16.19	12.50	1.15	-
Provision for compensated absences(refer note 29 (ii))	9.01	7.80	1.76	1.38
		-		
	<b>25.20</b>	<b>20.30</b>	<b>2.91</b>	<b>1.38</b>
<b>Other provisions</b>				
Provision for litigations	-	-	114.10	114.10
Provision for warranties	-	2.48	41.97	30.54
Provision for taxation (net of Advance tax Rs. 40.74 Mn. (31-Mar-15: Rs. 40.74 Mn.))	-	-	16.56	23.56
Provision for forward contract losses	-	-	43.87	3.62
	-	<b>2.48</b>	<b>216.50</b>	<b>171.82</b>
	<b>25.20</b>	<b>22.78</b>	<b>219.41</b>	<b>173.20</b>

### Provision for warranties

The Company provides warranty on certain products dealt by it by giving the undertaking to repair / replace items, which fails to perform satisfactorily during the warranty period. Provision made as at 31-Mar-16 represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be within a period of 1-5years.

Rs. in Mn.

	31-Mar-16	31-Mar-15
At the beginning of the year	33.02	41.69
Arising during the year	20.05	10.74
Utilized during the year	(8.71)	(17.23)
Unused amounts reversed	(2.39)	(2.18)
<b>At the end of the year</b>	<b>41.97</b>	<b>33.02</b>
Current portion	41.97	30.54
Non-current portion	-	2.48

### Provision for litigations

The Company is contending various matters pertaining to excise duty, service tax, sales tax and entry tax and has considered provision for the matters where it is probable that an outflow of resources may be required to settle the obligation.

Rs. in Mn.

	31-Mar-16	31-Mar-15
At the beginning of the year	114.10	114.10
Arising during the year	-	-
Utilized during the year	-	-
Provision reversed	-	-
<b>At the end of the year</b>	<b>114.10</b>	<b>114.10</b>
Current portion	114.10	114.10
Non-current portion	-	-

### 8. Short-term borrowings

Rs. in Mn.

	31-Mar-16	31-Mar-15
Cash credit from banks (secured) *	456.76	72.53
Working Capital Demand Loan (secured)*	100.00	668.36
Buyer's Credit **	371.98	-
	<b>928.74</b>	<b>740.89</b>

\* Cash Credit and Working Capital Demand Loan from ANZ Banking Group Ltd which is secured by hypothecation on current, fixed, movable and immovable assets of the company. Further the above borrowing from ANZ banking Group Ltd is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd. The Company is in the process of creating charge over land with Registrar of Companies.

\* Cash Credit from Kotak Mahindra Bank is secured against hypothecation on all existing and future receivable/ current assets/movable fixed assets of company.

\* Cash Credit from HDFC Bank Ltd is secured against hypothecation of stock, book debts and entire fixed assets of company and further secured against corporate guarantee by Brightstar Corp

\*\* Buyer's Credit from ANZ Banking Group Ltd which is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

## 9. Trade Payables

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Trade payables</b>		
Payables to micro and small enterprises (refer note 36)	3.41	-
Payable to Others*	9,166.25	2,345.52
	<b>9,169.66</b>	<b>2,345.52</b>

\*amount includes Rs. 1,600.64 Mn payable to Xiaomi Singapore Pte Ltd (Xiaomi) which will be paid to Xiaomi only after Company will receive payment from customers to whom the Company have sold Xiaomi's product.

## 10. Other current liabilities

Rs. in Mn.

	31-Mar-16	31-Mar-15
Investor Education and Protection Fund (will be credited from unpaid dividend bank account as and when due)	0.21	0.27
Advance from customers	101.72	24.20
Interest Accrued and but not due on borrowings	0.35	1.81
Lease rent equalization	4.82	1.62
Security Deposit received	1.21	0.84
<b>Others</b>		
-Sales tax payable	89.78	12.56
-Tax deducted at source payable	22.22	10.90
-Other statutory liabilities	3.09	11.60
	<b>223.40</b>	<b>63.80</b>

## 11. Tangible assets

Rs. in Mn.

	Land*	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computer	Leasehold improvements	Total
<b>Cost</b>								
<b>At 1 April 2014</b>	0.59	33.29	273.43	18.61	0.05	33.13	23.31	382.41
Additions	-	-	3.04	0.07	-	11.28	-	14.39
Disposals	-	-	(63.50)	(0.74)	(0.05)	(4.37)	-	(68.66)
<b>At 31 March 2015</b>	0.59	33.29	212.97	17.94	0.00	40.04	23.31	328.14
Additions	-	-	5.50	-	-	2.77	-	8.27
Disposals	-	-	(0.18)	-	-	(1.18)	-	(1.36)
<b>At 31 March 2016</b>	<b>0.59</b>	<b>33.29</b>	<b>218.29</b>	<b>17.94</b>	<b>0.00</b>	<b>41.63</b>	<b>23.31</b>	<b>335.05</b>

Rs. in Mn.

	Land*	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computer	Leasehold improvements	Total
<b>Depreciation</b>								
<b>At 1 April 2014</b>	-	19.57	212.45	16.09	0.05	30.82	11.28	290.26
Charge for the year	-	0.95	12.44	1.30	-	1.48	2.58	18.75
Disposals	-	-	(62.47)	(0.71)	(0.05)	(4.11)	-	(67.34)
<b>At 31 March 2015</b>	-	20.52	162.42	16.68	0.00	28.19	13.86	241.67
Charge for the year	-	0.87	13.10	0.18	-	4.39	2.59	21.13
Disposals	-	-	(0.06)	-	-	(1.07)	-	(1.13)
<b>At 31 March 2016</b>	-	<b>21.39</b>	<b>175.46</b>	<b>16.86</b>	<b>0.00</b>	<b>31.51</b>	<b>16.45</b>	<b>261.67</b>
<b>Net Block</b>								
At 31 March 2015	0.59	12.77	50.55	1.26	0.00	11.85	9.45	86.47
<b>At 31 March 2016</b>	<b>0.59</b>	<b>11.90</b>	<b>42.83</b>	<b>1.08</b>	<b>0.00</b>	<b>10.12</b>	<b>6.86</b>	<b>73.38</b>

\*The Company is in the process of creating charge over land with Registrar of Companies.

## 12. Intangible assets

Rs. in Mn.

	Goodwill*	Computer software	Total
<b>Gross block</b>			
<b>At 1 April 2014</b>	<b>90.00</b>	<b>58.73</b>	<b>148.73</b>
Additions	-	1.59	<b>1.59</b>
Disposals	<b>(90.00)</b>	-	<b>(90.00)</b>
<b>At 31 March 2015</b>	-	<b>60.32</b>	<b>60.32</b>
Additions	-	5.73	<b>5.73</b>
Disposals	-	-	-
<b>At 31 March 2016</b>	-	<b>66.05</b>	<b>66.05</b>
<b>Amortization</b>			
<b>At 1 April 2014</b>	<b>90.00</b>	<b>45.85</b>	<b>135.85</b>
Charge for the year	-	7.86	<b>7.86</b>
Disposals	<b>(90.00)</b>	-	<b>(90.00)</b>
<b>At 31 March 2015</b>	-	<b>53.71</b>	<b>53.71</b>
Charge for the year	-	5.17	<b>5.17</b>
Disposals	-	-	-
<b>At 31 March 2016</b>	-	<b>58.88</b>	<b>58.88</b>
<b>Net block</b>			
At 31 March 2015	-	<b>6.61</b>	<b>6.61</b>
<b>At 31 March 2016</b>	-	<b>7.17</b>	<b>7.17</b>

\* Post acquisition from Brightstar Logistics Pte Ltd, the Company has written off the goodwill in March 31 2015, which was fully amortized in earlier years, as company does not expect any further cash flows/benefits arising.

### 13. Non-current investments

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Trade Investments(valued at cost , unless stated otherwise)</b>		
<b>Unquoted equity instruments (In subsidiary Company)</b>		
1 (31-March-2015: 1) Equity Shares of Beetel Teletech Singapore Private Limited of USD 1/-each fully paid up*	-	-
	-	-

\*The financial statements are represented in Rs million. However, the amount of investment in Beetel Teletech Singapore Private Limited is Rs. 51.16 (31-March- 2015: Rs. 51.16)

### 14. Deferred tax asset (net)

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	0.35
<b>Gross deferred tax liability</b>	-	<b>0.35</b>
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1.69	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	30.86	19.27
Provision for doubtful debts and advances	14.03	11.67
Provision for Inventories	25.17	20.12
Provision for litigations	2.57	8.95
Current year carry forward tax losses and unabsorbed depreciation	46.57	-
Others	7.36	19.42
<b>Gross deferred tax asset</b>	<b>128.25</b>	<b>79.43</b>
<b>Net deferred tax asset</b>	<b>128.25</b>	<b>79.08</b>

As on March 31, 2016, in accordance with Accounting Standard 22 "Accounting for Taxes on Income", deferred tax asset of Rs. 128.25 Mn has been recognised as there is virtual certainty supported by convincing evidence (i.e. Profits earned by the Company subsequent to year end and IT business profits etc), that sufficient future taxable income will be available against which such deferred tax asset can be realized.

### 15. Loans and advances

Rs. in Mn.

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Balances with statutory/ government authorities *</b>				
Unsecured, considered good	44.11	37.67	434.18	100.56
Unsecured, considered doubtful	7.58	7.28	3.45	3.53
	<b>51.69</b>	<b>44.95</b>	<b>437.63</b>	<b>104.09</b>
Provision for doubtful Balances	(7.58)	(7.28)	(3.45)	(3.53)
	<b>44.11</b>	<b>37.67</b>	<b>434.18</b>	<b>100.56</b>

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Security deposit</b>				
Unsecured, considered good	25.35	25.74	-	-
Unsecured, considered doubtful	0.39	-	-	-
	<b>25.74</b>	<b>25.74</b>	-	-
Provision for doubtful Balances	(0.39)	-	-	-
	<b>25.35</b>	<b>25.74</b>	-	-
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	-	-	159.87	32.74
Unsecured considered doubtful	-	-	1.38	0.71
	-	-	<b>161.25</b>	<b>33.45</b>
Provision for doubtful advances	-	-	(1.38)	(0.71)
	-	-	<b>159.87</b>	<b>32.74</b>
<b>Other Loans and Advances</b>				
Advance income-tax (net of provision of Rs. 165.04 Mn. (31 March 2015: Rs. 165.10 Mn.))	158.57	59.02	-	9.12
MAT Credit Receivable	15.60	15.34	-	-
Capital Advance	-	0.75	-	-
Due from Group Company	-	-	0.48	0.46
Prepaid expenses	-	-	28.03	14.91
Loans/Imprest to Employees	-	-	0.66	0.65
	<b>174.17</b>	<b>75.11</b>	<b>29.17</b>	<b>25.14</b>
<b>Total</b>	<b>243.63</b>	<b>138.52</b>	<b>623.22</b>	<b>158.44</b>

\* Balances with statutory/ government authorities (non-current) includes Rs. 33.57 Mn. (31 Mar 2015 Rs 26.84 Mn.) and (current) includes Rs. 80.34 Mn (31 Mar 2015 Rs 60.33 Mn) being amount deposited under protest with relevant authorities.

## 16. Other assets

Rs. in Mn.

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Non-current bank balances (note - 19)*</b>	<b>4.05</b>	<b>8.96</b>	-	-
Unamortized premium on forward contract	-	-	16.39	4.56
<b>Others</b>				
Interest accrued on fixed deposits	-	-	0.05	1.26
	<b>4.05</b>	<b>8.96</b>	<b>16.44</b>	<b>5.82</b>

\*Margin money deposit with a carrying amount of Rs. 4.05 Mn (31 Mar 2015: 3.96 Mn) are hypothecated against the Bank guarantees.

# 17. Inventories (valued at lower of cost and net realizable value)

Rs. in Mn.

	31-Mar-16	31-Mar-15
Raw materials and components (including stock in transit Rs. 12.17 Mn. (31 Mar 2015: Rs.11.47 Mn.)) (refer note 22)	41.46	44.40
Less: Provision for Obsolete/Slow moving stock	(1.82)	(0.48)
	<b>39.64</b>	<b>43.92</b>
Finished goods (refer note 23)	30.53	29.01
Less: Provision for Obsolete/Slow moving stock	(0.19)	(0.11)
	<b>30.34</b>	<b>28.90</b>
Work in progress	<b>5.80</b>	<b>4.83</b>
Traded goods (including stock-in-transit Rs.191.13 Mn. (31 Mar 2015: Rs. 87.97 Mn.)) (refer note 23)	3,455.39	1,392.28
Less: Provision for Obsolete/Slow moving stock	(70.62)	(61.29)
	<b>3,384.77</b>	<b>1,330.99</b>
Stores and spares	2.19	2.40
Less: Provision for Obsolete/Slow moving stock	(0.13)	(0.14)
	<b>2.06</b>	<b>2.26</b>
	<b>3,462.61</b>	<b>1,410.90</b>

# 18. Trade receivables

Rs. in Mn.

	Current	
	31-Mar-16	31-Mar-15
<b>Debts outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	8.88	1.82
Unsecured, considered doubtful	7.35	3.24
	<b>16.23</b>	<b>5.06</b>
Provision for doubtful receivables	(7.35)	(3.24)
	<b>8.88</b>	<b>1.82</b>
<b>Other receivables</b>		
Unsecured, considered good*	6,268.66	1,715.04
Unsecured, considered doubtful*	7.58	8.42
	<b>6,276.24</b>	<b>1,723.46</b>
Provision for doubtful receivables	(7.58)	(8.42)
	<b>6,268.66</b>	<b>1,715.04</b>
	<b>6,277.54</b>	<b>1,716.86</b>

\*Includes Rs. 464.06 Mn secured against bank guarantees issued by customers, Rs. 3,832.16 Mn against credit insurance and Rs. 3.53 Mn against Letter of credit.

## 19. Cash and bank balances

Rs. in Mn.

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Cash and cash equivalents</b>				
<i>Balances with banks:</i>				
– On current accounts	-	-	7.45	66.80
Cash on hand	-	-	0.06	0.10
	-	-	<b>7.51</b>	<b>66.90</b>
<b>Other bank balances</b>				
<i>Balances with banks:</i>				
– On current accounts under lien	-	-	1.81	1.52
– On unpaid dividend account	-	-	0.21	0.34
Deposits under lien with original maturity for more than 12 months	-	5.00	-	-
Margin money *	4.05	3.96	-	-
	<b>4.05</b>	<b>8.96</b>	<b>2.02</b>	<b>1.86</b>
Amount disclosed under non-current assets (note 16)	<b>(4.05)</b>	<b>(8.96)</b>	-	-
	-	-	<b>9.53</b>	<b>68.76</b>

\*Margin money deposit of Rs. 4.05 Mn (31 Mar 2015: 3.96 Mn) are against the Bank guarantee.

## 20. Revenue from operations

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	777.22	788.16
Traded goods	38,152.59	9,197.55
<b>Sale of services</b>	21.69	10.76
<b>Other operating revenue</b>		
Scrap sales	0.57	0.26
<b>Revenue from operations (gross)</b>	<b>38,952.07</b>	<b>9,996.73</b>
Less: Excise duty #	103.66	60.51
<b>Revenue from operations (net)</b>	<b>38,848.41</b>	<b>9,936.22</b>

# Excise duty on sales amounting to Rs. 103.66 Mn. (31 Mar 2015: Rs. 60.51 Mn.) has been reduced from sales in Statement of profit and loss account and excise duty on increase/decrease in stock amounting to Rs. (0.87) Mn. (31 Mar 2015: Rs. 0.61 Mn.) has been disclosed as (income)/expense in note 25 of financial statements.

### Detail of products sold

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Finished goods sold</b>		
Landline phones	777.22	788.16
	<b>777.22</b>	<b>788.16</b>
<b>Traded goods sold</b>		
Landline phones	432.38	465.97
Set top box	-	9.80
Modem/data card	3,880.95	1,891.98
Mobile phones and IT Peripherals	27,962.09	2,433.93
Memory devices	1,712.49	1,823.29
Voice and data products	454.78	387.16
Board room solutions	1,695.05	1,190.11
Networking equipment	2,014.85	995.31
	<b>38,152.59</b>	<b>9,197.55</b>
	<b>38,929.81</b>	<b>9,985.71</b>

### 21. Other income

Rs. in Mn.

	31-Mar-16	31-Mar-15
Interest income on :		
Bank deposits	3.04	0.79
Others	3.05	5.15
Amounts written back	1.85	19.73
Rental income	-	24.96
Miscellaneous Income	14.48	4.01
Profit on sale of fixed assets	0.05	-
	<b>22.47</b>	<b>54.64</b>

### 22. Cost of raw material and components consumed

Rs. in Mn.

	31-Mar-16	31-Mar-15
Inventory at the beginning of the year	44.40	34.22
Add: Purchases during the year	524.60	310.51
	569.00	344.73
Less: inventory at the end of the year	41.46	44.40
Cost of raw material and components consumed	<b>527.54</b>	<b>300.33</b>

**Details of raw material and components consumed**

Rs. in Mn.

	31-Mar-16	31-Mar-15
Moulding Materials	42.23	44.11
LCD Modules	49.35	37.18
Avivo Mobile	225.46	-
Others	210.50	219.04
	<b>527.54</b>	<b>300.33</b>

**Details of inventory**

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Raw material and components</b>		
Moulding Materials	6.86	3.25
LCD Modules	3.84	3.90
Others	30.76	37.25
	<b>41.46</b>	<b>44.40</b>

**23. (Increase)/ decrease in inventories**

Rs. in Mn.

	31-Mar-16	31-Mar-15
Inventories at the end of the year		
Traded goods	3,455.39	1,392.28
Work-in-progress	5.80	4.83
Finished goods	30.53	29.01
	<b>3,491.72</b>	<b>1,426.12</b>
Inventories at the beginning of the year		
Traded goods	1,392.28	365.95
Work-in-progress	4.83	5.06
Finished goods	29.01	41.83
	<b>1426.12</b>	<b>412.84</b>
<b>(Increase) /decrease in Inventory</b>	<b>(2,065.60)</b>	<b>(1,013.28)</b>

**Details of purchase of traded goods and service cost**

Rs. in Mn.

	31-Mar-16	31-Mar-15
Landline phones	396.45	355.20
Modem/data Card	3,833.27	1,893.99
Mobile phones and IT Peripherals	29,237.38	3,177.26
Memory devices	1,694.13	1,794.04
Voice & data products	417.86	346.26

	31-Mar-16	31-Mar-15
Board room solution	1,712.16	1,173.75
Networking equipment	1,984.11	873.56
<b>Purchase of goods</b>	<b>39,275.36</b>	<b>9614.06</b>
Service cost	11.66	3.68
<b>Purchase of services</b>	<b>11.66</b>	<b>3.68</b>
	<b>39,287.02</b>	<b>9,617.74</b>

**Details of Inventory** Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Traded goods</b>		
Landline phones	38.27	31.36
Set top Box	-	-
Modem/data Card	264.31	194.30
Mobile phones and IT peripherals	2,407.26	817.74
Memory devices	150.39	89.57
Voice & data products	40.92	20.93
Board room solution	230.55	130.32
Networking equipment	319.58	101.06
Spare parts	4.11	7.00
	<b>3,455.39</b>	<b>1,392.28</b>
<b>Work-in-progress</b>		
Landline phones	5.80	4.83
	<b>5.80</b>	<b>4.83</b>
<b>Finished goods</b>		
Landline phones	30.53	29.01
	<b>30.53</b>	<b>29.01</b>

**24. Employee benefits expense** Rs. in Mn.

	31-Mar-16	31-Mar-15
Salaries, wages and bonus	415.90	294.27
Gratuity expense (refer note 29(ii))	8.78	11.03
Contribution to provident and other funds	18.61	14.17
Staff welfare expenses	8.45	7.43
Recruitment expenses	4.74	8.31
	<b>456.48</b>	<b>335.21</b>

## 25. Other expenses

Rs. in Mn.

	31-Mar-16	31-Mar-15
Rent	25.02	33.85
Rates & taxes	0.54	2.40
Insurance charges	29.67	10.54
Power & fuel	12.52	12.80
Excise duty on account of increase/(decrease) in stock of finished goods	(0.87)	0.61
Consumption of stores and spares	3.13	3.84
Repair & maintenance:		
-Building	0.32	0.50
-Others	46.16	44.67
Travelling & conveyance	41.48	38.63
Communication expenses	12.43	6.10
Printing & stationery	1.65	1.35
Legal & professional expenses	21.12	73.62
Security charges	3.78	2.93
Electricity & water charges	3.30	2.17
Charity & donation	0.09	0.37
Corporate Social Responsibility expenses	0.46	-
Amount/trade receivables written off**	0.76	18.12
Exchange rate difference (net)	64.39	27.17
Premium on Forward cover Contract amortized	15.53	3.37
Loss on Sale of fixed assets(Net)	-	0.63
Provision for doubtful debts	3.27	8.84
Provision for obsolete/slow moving stock	10.74	5.15
Provision for doubtful advances/claim	1.28	4.40
Miscellaneous expenses	33.31	8.51
Bank Charges	11.75	9.05
Freight and cartage	75.47	53.69
Advertisement & marketing expenses	4.59	54.81
Sales Promotion & Schemes expenses	35.67	32.05
Rebate and discounts	27.98	18.72
Commission on Sales	4.72	22.14
Service charges	39.27	21.91
Warranty cost (net of reversals)	28.71	34.42
	<b>558.24</b>	<b>557.36</b>

\*\* (after write off of Rs. Nil from provision of doubtful debts and Rs. Nil from provision of doubtful advances (31 Mar 2015 Rs. 2.70 Mn. from provision of doubtful debts and Rs. 5.18 Mn. from provision of doubtful advances).

**Payment to auditor (as included in Legal and professional expenses)** Rs. in Mn.

	31-Mar-16	31-Mar-15
As auditor:		
Audit fee*	2.50	3.75
In other capacity:		
Other services (certification and others)	-	0.70
Reimbursement of expenses*	0.34	0.45
	<b>2.84</b>	<b>4.90</b>

\*excluding taxes

**26. Finance costs** Rs. in Mn.

	31-Mar-16	31-Mar-15
Interest	190.58	38.17
	<b>190.58</b>	<b>38.17</b>

**27. Depreciation and amortization expense** Rs. in Mn.

	31-Mar-16	31-Mar-15
Depreciation of tangible assets	21.13	18.75
Amortization of intangible assets	5.17	7.86
	<b>26.30</b>	<b>26.61</b>

**28. Earnings/loss per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations: Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Total operations for the year</b>		
Profit/ (loss) after tax	(53.20)	190.85
	<b>No. in Mn.</b>	<b>No. in Mn.</b>
Weighted average number of equity shares in calculating basic and diluted EPS	5.09	5.08
<b>Earnings/ (loss) per share – basic &amp; diluted</b>	<b>(10.45)</b>	<b>37.57</b>

**29. Employee benefits**

i) **Gratuity**

The Company has a defined benefit gratuity plan. The scheme is a defined benefit arrangement providing gratuity benefit expensed in terms of final monthly salary and service. Every employee gets a gratuity on departure at 15 days salary for each completed year of service. However, payment to the employees who have joined prior to April 1, 2008 is subject to a maximum limit of Rs 1,000,000. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Current service cost	6.08	3.14
Interest cost on benefit obligation	2.90	2.53
Expected return on plan assets	(2.10)	(2.33)
Net actuarial( gain) / loss recognized in the year	1.90	7.69
<b>Net benefit expense</b>	<b>8.78</b>	<b>11.03</b>

**Balance sheet**

**Benefit asset/ liability**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Present value of defined benefit obligation	(44.97)	(37.29)
Fair value of plan assets	27.63	24.79
<b>Plan asset / (liability)</b>	<b>(17.34)</b>	<b>(12.50)</b>

**Changes in the present value of the defined benefit obligation are as follows:**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Opening defined benefit obligation	37.29	31.60
Acquisition adjustment	0.00	0.48
Current service cost	6.08	3.14
Interest cost	2.90	2.53
Benefits paid	(3.20)	(8.15)
Actuarial (gains) / losses on obligation	1.90	7.69
<b>Closing defined benefit obligation</b>	<b>44.97</b>	<b>37.29</b>

**Changes in the fair value of plan assets are as follows:**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Opening fair value of plan assets	24.79	27.17
Expected return	2.10	2.33
Contributions by employer	2.33	0.16
Benefits paid	(1.59)	(4.87)
<b>Closing fair value of plan assets</b>	<b>27.63</b>	<b>24.79</b>

The Company expects to contribute Rs. 22.81 Mn. to gratuity in the next year. (31 Mar 2015: Rs 18.20 Mn.)

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Rs. in Mn.

	<b>Gratuity</b>	
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Investments with insurer	100%	100%

**The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:**

Rs. in Mn.

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Discount rate	7.70%	7.75%
Expected rate of return on assets	8.50%	8.50%
Employee turnover	0%-37.5%	0%-37.5%
Salary escalation rate	8%	8%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**Amounts for the current and previous five years are as follows:**

Rs. in Mn.

	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
<b>Gratuity</b>					
Defined benefit obligation	44.97	37.29	31.60	28.13	29.93
Plan assets	27.63	24.79	27.17	25.94	23.96
Surplus / (deficit)	(17.34)	(12.50)	(4.43)	(2.19)	(5.97)
Experience adjustments on plan liabilities	(1.77)	(1.36)	(2.89)	(3.45)	(1.41)
Experience adjustments on plan assets	(0.00)	(0.00)	(0.15)	0.38	0.18

ii) Actuarial assumptions for long term compensated absences

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Discount rate	7.70%	7.75%
Employee turnover	0%-37.5%	0%-37.5%
Salary escalation rate	8%	8%
Mortality table used	IALM 2006-08	IALM 2006-08

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### 30. Leases

The Company has taken certain office and warehouse space on lease. Rental expense towards such leases charged to statement of profit and loss amounts to Rs. 25.02 Mn. (31 Mar 2015 Rs. 33.85 Mn.). The Company had entered into a leave and license arrangement for lease of its Corporate office effective November 1, 2009 for a period of 9 years with a lock-in period of 3 years. The rent is subject to escalation of 15% every three years.

Details of non-cancellable operating lease commitments are as under:

Rs. in Mn.

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Within one year	20.83	34.20
After one year but not more than five years	23.74	78.94
More than five years	-	-
	<b>44.57</b>	<b>113.14</b>

### 31. Segment information

The business segment has been considered as the primary segment. The reportable business segments are "Beetel Products" and "Distribution Products". Beetel products include customer premises equipment like landline phones, modems, set top boxes and Information Technology peripherals being sold with Beetel Brand. Distribution products cover mobile phones, memory devices, data cards, voice and data products, board room solutions, networking equipments which are sold under non-Beetel brand etc.

In terms of geographical segment, the Company's sales outside India are not material and do not qualify as a separate reportable segment as per provisions of AS-17 "Segment Reporting".

**For the year ended 31 March 2016**

Rs. in Mn.

<b>Reportable Segements</b>	<b>Beetel Products</b>	<b>Distribution Products</b>	<b>Unallocated</b>	<b>Total</b>
<b>Revenue</b>				
Net Sales	1,324.22	37,524.19	-	38,848.41
Other Income	7.12	9.26	6.09	22.47
<b>Total Revenue</b>	<b>1,331.34</b>	<b>37,533.45</b>	<b>6.09</b>	<b>38,870.88</b>
<b>Result</b>				
Segment result, Profit/(Loss)	182.10	(93.89)	(7.31)	80.90
Financial Cost	-	-	190.58	190.58
<b>Net Profit/(Loss) before tax</b>	<b>182.10</b>	<b>(93.89)</b>	<b>(197.89)</b>	<b>(109.68)</b>
Provision for Tax				
-Current year Tax	-	-	-	-
-Tax pertaining to earlier years	-	-	(7.31)	(7.31)
-MAT Credit	-	-	-	-
-Deferred Tax	-	-	(49.17)	(49.17)
<b>Net Profit/(Loss) after tax</b>	<b>182.10</b>	<b>(93.89)</b>	<b>(141.41)</b>	<b>(53.20)</b>
<b>Other information</b>				
Segment Assests	313.72	10,155.24	377.58	10,846.54
Segment Liabilities	261.03	9,333.21	979.80	10,574.04
Capital Expenditure	-	-	11.34	11.34
Depreciation/Amortisation	12.90	-	13.40	26.30
Other non-cash Expenditure	1.36	38.17	-	39.53

**For the Year Ended 31 March 2015**

(Rs. in Mn)

<b>Reportable Segements</b>	<b>Beetel Products</b>	<b>Distribution Products</b>	<b>Unallocated</b>	<b>Total</b>
Revenue				
Net Sales	1,486.13	8,450.09	-	9,936.22
Other Income	16.18	32.52	5.94	54.64
<b>Total Revenue</b>	<b>1,502.31</b>	<b>8,482.61</b>	<b>5.94</b>	<b>9,990.86</b>
<b>Result</b>				
Segment result, Profit/(Loss)	195.80	33.62	(62.53)	166.89
Financial Cost			38.17	38.17
<b>Net Profit/(Loss) before tax</b>	<b>195.80</b>	<b>33.62</b>	<b>(100.70)</b>	<b>128.72</b>
Provision for Tax				
-Current year Tax	-	-	19.30	19.30
-Tax pertaining to earlier years	-	-	26.29	26.29
-MAT Credit	-	-	(28.64)	(28.64)
-Deferred Tax	-	-	(79.08)	(79.08)
<b>Net Profit/(Loss) after tax</b>	<b>195.80</b>	<b>33.62</b>	<b>(38.57)</b>	<b>190.85</b>
<b>Other information</b>				
Segment Assests	380.02	3,006.45	296.58	3,683.05
Segment Liabilities	260.43	2,297.20	799.72	3,357.35
Capital Expenditure	3.75		14.77	18.52
Depreciation/Amortisation	12.22		14.39	26.61
Other non-cash Expenditure	9.09	34.74		43.83

### 32. Related parties

#### i) Holding Company

Brightstar Logistics Pte. Ltd

#### ii). Significant shareholders

Brightstar Logistics Pte. Ltd\*\*

Bharti (SBM) Holdings Private Limited.\*

Bharti (RBM) Holdings Private Limited.\*

Bharti (RM) Holdings Private Limited.\*

#### iii) Subsidiary

Beetel Teletech Singapore Private Limited.

#### iv) Ultimate Holding Company

Brightstar Corp\*\*

#### v) Fellow Subsidiaries

Brightstar NZ Limited\*\*

Brightstar Supply Chain Services Sdn Bhd\*\*

Brightstar Telecom Services Pvt. Ltd. \*\*

Brightstar Logistics Pty Ltd\*\*

Brightstar FZE\*\*

**vi) Enterprises owned or significantly influenced by key management personnel or their relatives**

Bharti Airtel Limited\*

Bharti Reality Holding Limited\*

Bharti Axa General Insurance Company Limited\*

\* Up to 30 September 2014 (The transactions with these parties for 2015 are disclosed for the period 1 April 2014 to 30 September 2014 and the balance outstanding as payable/receivable is as at 31-Mar-15)

\*\* With effect from 1 October 2014

**vii) Key management personnel**

Mr. Suresh Gupta – Chief Operating Officer & Director till 31 January 2015

Mr. Alok Shankar-CEO and Whole Time Director with effect from 1 October 2014

**The detail of transactions during the year ended 31 March 2016 and 31 March 2015 are as follows:**

Rs. in Mn.

	Holding Company		Ultimate Holding Company		Subsidiary		Fellow Subsidiaries		Key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Sales of goods and services</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	516.03	-	516.03
<b>Purchase of goods &amp; services</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	3.57	-	3.57
Bharti Reality Holding Limited	-	-	-	-	-	-	-	-	-	-	-	3.67	-	3.67
Bharti Axa General Insurance Co. Limited	-	-	-	-	-	-	-	-	-	-	-	1.50	-	1.50
Brightstar Corp	-	-	266.96	-	-	-	-	-	-	-	-	-	266.96	-
<b>Expenses Incurred by related parties on behalf of the Company</b>														
Brightstar Logistics Pte. Ltd	6.44	4.95	-	-	-	-	-	-	-	-	-	-	6.44	4.95
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	0.01	9.46	-	-	-	-	0.01	9.46
Brightstar FZE	-	-	-	-	-	-	0.25	0.68	-	-	-	-	0.25	0.68
Brightstar NZ Limited	-	-	-	-	-	-	-	0.41	-	-	-	-	-	0.41
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	-	-	0.38	-	-	-	-	-	0.38	-
Brightstar Telecom Service Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-

	Holding Company		Ultimate Holding Company		Subsidiary		Fellow Subsidiaries		Key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Expenses Incurred by Company on behalf of related parties</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	6.90	-	6.90
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	-	4.28	-	-	-	-	-	4.28
Brightstar Corp	-	-	-	0.46	-	-	-	-	-	-	-	-	-	0.46
Beetel Teletech Singapore Private Limited	-	-	-	-	6.41	4.57	-	-	-	-	-	-	6.41	4.57
<b>Purchase of Capital item</b>														
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	2.58	1.54	-	-	-	-	2.58	1.54
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	-	-	0.38	1.16	-	-	-	-	0.38	1.16
<b>Service Fees Received</b>														
Beetel Teletech Singapore Private Limited	-	-	-	-	4.56	4.00	-	-	-	-	-	-	4.56	4.00
<b>Service Fee Paid</b>														
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	22.48	-	-	-	-	-	22.48	-
<b>Remuneration (refer note)</b>														
Mr. Suresh Gupta	-	-	-	-	-	-	-	-	-	20.52	-	-	-	20.52
Mr. Alok Shankar	-	-	-	-	-	-	-	-	27.36	11.91	-	-	27.36	11.91
<b>Rent Received</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	7.80	-	7.80
<b>Rent Paid</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	1.51	-	1.51
<b>Due to</b>														
Brightstar Logistics Pte. Ltd	8.57	3.64	-	-	-	-	-	-	-	-	-	-	8.57	3.64
Brightstar Logistics Pty Ltd	-	-	-	-	-	-	18.39	3.60	-	-	-	-	18.39	3.60
Brightstar FZE	-	-	-	-	-	-	-	0.68	-	-	-	-	-	0.68
Brightstar NZ Limited	-	-	-	-	-	-	-	0.30	-	-	-	-	-	0.30

	Holding Company		Ultimate Holding Company		Subsidiary		Fellow Subsidiaries		Key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	-	-	1.26	0.92	-	-	-	-	1.26	0.92
Brightstar Telecom Service Pvt Ltd	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
Brightstar Corp	-	-	267.92	-	-	-	-	-	-	-	-	-	267.92	-
Bharti Reality Holding Limited	-	-	-	-	-	-	-	-	-	-	-	0.48	-	0.48
<b>Due from</b>														
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	-	-	199.45	-	199.45
Brightstar Corp	-	-	-	0.46	-	-	-	-	-	-	-	-	-	0.46

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### 33. Capital and other commitments

- a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances Rs Nil) is Rs. Nil (31 Mar 2015 Rs. 1.00 Mn.).

- b) For commitments relating to lease arrangements, please refer note 30.

The Company has other commitments for purchase orders which are issued after considering requirements as per operating cycle for purchase of goods and services. The Company does not have any long term commitment or material non-cancelable contractual commitments/contracts which might have a material impact on the financial statements.

### 34. Contingent liabilities

Rs. in Mn.

	31-Mar-2016	31-Mar-2015
Guarantees issued (Refer Note a)	-	281.93
Claims against the Company not acknowledged as debts (excluding cases where the possibility of any outflow in settlement is remote):		
(i) Sales tax/excise duty and service tax demands	197.59	56.17
(ii) Income-tax demands	1.43	1.43
(iii) Others	4.53	22.73
	<b>203.55</b>	<b>362.26</b>

- a) Guarantees includes a corporate guarantee amounting to Nil (31 March 2015 USD 4,500,000) issued to GE Capital Services Pte. Ltd. on behalf of Company's wholly owned subsidiary Beetel Teletech Singapore Private Limited.

### 35. Derivative instruments and unhedged foreign currency exposure

The Company takes foreign currency derivative instruments to hedge its foreign currency risk on its trade receivables and payables. As at the year end, the Company had outstanding forward contracts of USD 255,23,754 , AUD 503,864 and EURO 96,099 (31 March 2015- USD 7,206,527) towards underlying payables. The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as on 31 March 2016 and 31 March 2015 are as under:

Particulars	Currency	As at 31-Mar-2016	As at 31-Mar-2015
Current trade receivables	USD in Mn.	0.04	0.95
	Rs in Mn.*	2.74	59.81
Current trade payables	USD in Mn.	2.40	2.68
	Rs in Mn*	159.39	167.76
	AUD in Mn.	-	0.07
	Rs in Mn***	-	3.34
	EURO in Mn	0.02	-
	RS in Mn.	1.65	-
Current advances to supplier	USD in Mn	0.03	0.13
	Rs in Mn.*	2.31	8.20
Current advances from customer	USD in Mn	0.08	0.00
	Rs in Mn.**	5.37	0.03

\*Exchange rates 1 USD=Rs. 66.31 (31 March 2015: 1 USD=Rs. 62.65)

\*\* Exchange rates 1 EURO=Rs.74.02 (31 March 2015: Nil)

\*\*\* Exchange rates 1 AUD=Nil (31 March 2015: 1 AUD=Rs. 47.83)

### 36. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Rs. in Mn.

		31-Mar-16	31-Mar-15
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	3.41	-
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
3	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The above is on the basis of confirmations sent by the management to the suppliers.

**37. Value of imports calculated on CIF basis**

Rs. in Mn.

	31-Mar-16	31-Mar-15
Raw materials and components	135.57	130.86
Capital goods	3.72	5.21
Traded goods	16,331.62	5,209.75
Stores and spares	2.63	9.11
	<b>16,473.54</b>	<b>5,354.93</b>

**38. Expenditure in foreign currency (accrual basis)**

Rs. in Mn.

	31-Mar-16	31-Mar-15
Commission on sales	1.29	21.27
Travelling & conveyance	6.49	6.63
Service Fees	22.48	-
Legal & Professional expenses	-	5.68
Freight and cartage	0.76	0.90
Salaries, wages and bonus	6.17	10.73
Others	2.10	2.98
	<b>39.29</b>	<b>48.19</b>

**39. Earning in foreign currency**

Rs. in Mn.

	31-Mar-16 (Rs. in Mn.)	31-Mar-15 (Rs. in Mn.)
FOB Value of goods exported(included in Revenue)	46.24	227.68
Management Fees ( included in Miscellaneous Income)	4.00	4.00
Reimbursement & Others	13.63	27.34
	<b>63.87</b>	<b>259.02</b>

**40. Imported and indigenous raw materials, components and spare parts consumed**

	% of total consumption 31-Mar-16	Value (Rs. in Mn.) 31-Mar-16	% of total consumption 31-Mar-15	Value (Rs. in Mn.) 31-Mar-15
Raw materials				
Imported	66.80	<b>352.40</b>	39.00	<b>117.13</b>
Indigenously obtained	33.20	<b>175.14</b>	61.00	<b>183.20</b>
	<b>100.00</b>	<b>527.54</b>	<b>100.00</b>	<b>300.33</b>
Store and Spares				
Imported	23.91	<b>0.71</b>	23.16	<b>1.15</b>
Indigenously obtained	76.09	<b>2.26</b>	76.84	<b>3.83</b>
	<b>100.00</b>	<b>2.97</b>	<b>100.00</b>	<b>4.98</b>

**41.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Last year financials have been audited by predecessor auditor's.

**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**

**Alok Shankar**  
**Director**  
**(DIN:01122940)**

**Dharshan Nanayakkara**  
**Director**  
**(DIN: 06930415)**

**Neeru Bhalla**  
**Company Secretary**

**Puneet Khanna**  
**Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED

### To the Members of Beetel Teletech Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BEETEL TELETECH LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis

for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Other Matters**

- a) We did not audit the financial statements of subsidiary whose financial statements reflect total assets of Rs. 410.19 million as at 31<sup>st</sup> March, 2016, total revenues of Rs. 1,287.29 million and net cash flows amounting to Rs. 41.52 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company, none of its directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company has a subsidiary company incorporated outside India, hence, Section 164(2) of the Act is not applicable to the subsidiary company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in “**Annexure A**”, which is based on the auditors’ reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company’s internal financial controls over financial reporting. The Holding Company has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place of Signature: Gurgaon

Date: 7<sup>th</sup> July, 2016

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Beetel Teletech Limited (hereinafter referred to as “the Holding Company”) as of that date. The Holding Company has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

### **Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: Gurgaon

Date: 7<sup>th</sup> July, 2016

## CONSOLIDATED BALANCE SHEET as at 31 March 2016

(Rs. in Mn.)

PARTICULARS	Note	As at 31-Mar-16	As at 31-Mar-15
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	50.92	50.92
Reserves and surplus	4	360.05	351.53
		<b>410.97</b>	<b>402.45</b>
<b>Non-current liabilities</b>			
Other Long term liabilities	5	7.63	11.16
Long term provisions	6	25.20	22.78
		<b>32.83</b>	<b>33.94</b>
<b>Current liabilities</b>			
Short term borrowings	7	928.74	740.89
<b>Trade payables</b>	8		
- Payables to micro and Small enterprises		3.41	-
- Other payables		9,422.40	2,580.74
Other current liabilities	9	229.81	65.19
Short term provisions	6	228.59	178.36
		<b>10,812.95</b>	<b>3,565.18</b>
<b>TOTAL</b>		<b>11,256.75</b>	<b>4,001.57</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	73.38	86.47
Intangible assets	11	7.17	6.61
Capital work in progress		0.72	2.63
Deferred Tax Assets(net)	12	128.25	79.08
Long term loans and advances	13	243.63	138.52
Other non-current assets	14	4.05	9.24
		<b>457.20</b>	<b>322.55</b>
<b>Current assets</b>			
Inventories	15	3,541.32	1,533.86
Trade receivables	16	6,444.38	1,847.79
Cash and bank balances	17	119.00	132.69
Short term loans and advances	13	678.41	158.86
Other current assets	14	16.44	5.82
		<b>10,799.55</b>	<b>3,679.02</b>
<b>TOTAL</b>		<b>11,256.75</b>	<b>4,001.57</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For Deloitte Haskins and Sells LLP**

**ICAI Firm registration number:117366W/W-100018**

Chartered Accountants

**Vijay Agarwal**

**Partner**

**Membership No: 094468**

**Place : Gurgaon**

**Date : 7<sup>th</sup> July, 2016**

**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**

**Alok Shankar**

**Director**

**(DIN:01122940)**

**Neeru Bhalla**

**Company Secretary**

**Dharshan Nanayakkara**

**Director**

**(DIN: 06930415)**

**Puneet Khanna**

**Chief Financial Officer**

## CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 March 2016

(Rs. in Mn.)

PARTICULARS	Note	Year Ended 31-Mar-16	Year Ended 31-Mar-15
<b>INCOME</b>			
Revenue from operations(gross)	<b>18</b>	40,243.25	10,985.64
Less: Excise duty		103.66	60.51
<b>Revenue from Operations(net)</b>		40,139.59	10,925.13
Other income	<b>19</b>	17.10	51.54
<b>Total Revenue (I)</b>		<b>40,156.69</b>	<b>10,976.67</b>
<b>EXPENDITURE</b>			
Cost of raw materials and Components consumed	<b>20</b>	527.54	300.33
Purchases of stock-in-trade (traded goods)	<b>21</b>	40,433.70	10,652.69
(Increase)/decrease in inventories of finished goods, work in progress and stock in trade	<b>21</b>	(2,019.45)	(1,120.00)
Employee benefits expenses	<b>22</b>	456.48	335.21
Other expenses	<b>23</b>	584.83	570.42
<b>Total (II)</b>		<b>39,983.10</b>	<b>10,738.65</b>
<b>Earning before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)</b>		173.59	238.02
Financial cost	<b>24</b>	190.58	38.21
Depreciation and amortisation	<b>25</b>	26.30	26.61
<b>Profit/(loss) before exceptional items and tax</b>		<b>(43.29)</b>	<b>173.20</b>
<b>Profit/(loss) before Tax</b>		<b>(43.29)</b>	<b>173.20</b>
<b>PROVISION FOR TAX</b>			
-Current Tax expense		9.29	24.34
-Short / (Excess) provision for tax relating to prior years		(6.68)	25.29
-MAT Credit Entitlement		-	(28.64)
- Deferred Tax credit		(49.17)	(79.08)
Total Tax Expense		(46.56)	(58.09)
<b>Profit/(loss) after tax</b>		<b>3.27</b>	<b>231.29</b>
<b>Earning/(loss) per share -basic and diluted</b>	<b>26</b>	<b>0.64</b>	<b>45.53</b>
<b>[Nominal value of share Rs. 10/- each(Previous year Rs. 10/- each)]</b>			

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For Deloitte Haskins and Sells LLP**
**ICAI Firm registration number:117366W/W-100018**

Chartered Accountants

**Vijay Agarwal**
**Partner**
**Membership No: 094468**
**Place : Gurgaon**
**Date : 7<sup>th</sup> July, 2016**
**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**
**Alok Shankar**
**Director**
**(DIN:01122940)**
**Neeru Bhalla**
**Company Secretary**
**Dharshan Nanayakkara**
**Director**
**(DIN: 06930415)**
**Puneet Khanna**
**Chief Financial Officer**

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2016

(Rs. in Mn.)

PARTICULARS	YEAR ENDED 31-MAR-16	YEAR ENDED 31-MAR-15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(43.29)	173.20
<b>Adjustments for :</b>		
Depreciation/amortisation	26.30	26.61
Unrealised exchange difference (net)	23.47	6.00
Interest expense	190.58	38.21
Lease equalisation reserve	(0.33)	1.33
Bad debts/amounts written off	0.80	19.01
Liabilities written back	(1.96)	-
Provision for doubtful debts	3.53	(0.52)
Provision for Obsolete/Slow Moving Stock	8.78	5.92
Provision for doubtful advances/claim	1.28	4.40
Interest income	(6.09)	(5.94)
Provision for Diminution in value of investment	-	(455.00)
Loss on sale of investment	-	455.00
(Profit)/loss on sale of fixed assets	(0.05)	0.63
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>203.02</b>	<b>268.84</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in non-current loans & advances	(6.75)	(1.35)
(Increase)/decrease in current loans and advances	(529.88)	(75.37)
(Increase)/decrease in current other current assets	(11.83)	0.28
(Increase)/decrease in current trade receivables	(4,600.26)	(1,176.21)
(Increase)/decrease in inventories	(2,016.24)	(1,129.93)
Increase/(decrease) in current liabilities	6,986.47	1,672.63
Increase/(decrease) in current provisions	53.21	(15.54)
Increase/(decrease) in non-current liabilities	-	-
Increase/(decrease) in non-current provisions	2.42	(4.31)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>80.16</b>	<b>(460.97)</b>
Direct taxes paid	(96.27)	1.49
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(16.11)</b>	<b>(459.48)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of current investments	-	45.00
Proceeds/(repayment) bank balance not considered as cash and cash equivalents	(0.16)	(0.31)
Purchase of investment	-	-
Proceeds from sale of fixed assets	0.28	0.68
Purchase of fixed assets including capital work in progress	(11.34)	(19.31)
Interest received	7.30	5.54
Proceeds of deposits matured (with maturity more than three months)	5.19	(0.01)
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>1.27</b>	<b>31.59</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(192.04)	(36.68)
Proceeds from Issue of Shares	0.00	3.78
Proceeds/(repayment) of bank borrowings	187.85	562.85
Dividends paid(including dividend tax)	(0.07)	(0.06)
<b>NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(4.26)</b>	<b>529.89</b>
<b>NET INCREASE/( DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(19.10)</b>	<b>102.00</b>
<b>Impact of cash flow on account of Foreign Currency Transalation</b>	<b>5.25</b>	<b>2.60</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>130.83</b>	<b>26.23</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>116.98</b>	<b>130.83</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.06	0.10
<b>Balance with scheduled banks:</b>		
In current accounts	116.92	130.73
<b>Cash and cash equivalents at the end of the year</b>	<b>116.98</b>	<b>130.83</b>

Figures in brackets indicate cash out flow.

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For Deloitte Haskins and Sells LLP**

**ICAI Firm registration number:117366W/W-100018**

Chartered Accountants

**Vijay Agarwal**

**Partner**

**Membership No: 094468**

**Place : Gurgaon**

**Date : 7<sup>th</sup> July, 2016**

**For and on behalf of the Board of Directors of**

**Beetel Teletech Limited**

**Alok Shankar**

**Director**

**(DIN:01122940)**

**Neeru Bhalla**

**Company Secretary**

**Dharshan Nanayakkara**

**Director**

**(DIN: 06930415)**

**Puneet Khanna**

**Chief Financial Officer**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2015

### 1. Background

Beetel Teletech Limited ('The Company') was incorporated in India on March 30, 1999. The Company is engaged in trading of landline phones, modems, smart phones, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products. The Company is also engaged in manufacturing of landline phones.

#### Basis of preparation of financial statements

The consolidated financial statements of the Group comprising of the Company and its wholly owned subsidiary Beetel Teletech Singapore Pvt. Limited incorporated in Singapore, have been prepared in accordance with the 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. The financial statements have been prepared under the historical cost convention on an accrual basis.

#### Principles of Consolidation

- i. The financial statements of the subsidiary used in consolidation are drawn upto the same reporting date as that of Company i.e March 31, 2016.
- ii. The financial statements of the Company and its subsidiary company has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses.
- iii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in same manner as the Company's separate financial statements,.

### 2. Summary of significant accounting policies

#### a) Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### b) Depreciation

Fixed assets (other than Building, Moulds and Computer software) are depreciated to the extent of 95% of their gross value. Depreciation is provided on a straight-line method over the useful life of the assets estimated by the management.

Asset Category	Useful lives (years)
Building-factory*	20
Plant & machinery (other than moulds and office equipments)*	10
Moulds*	2

Asset Category	Useful lives (years)
Office equipments	5
Furniture & fixtures*	5
Computers*	3
Mobile Phones*	2

Leasehold improvement is being amortized over the period of lease.

Fixed assets costing up to Rs. 5,000 are being fully depreciated in the year of acquisition.

\*For these class of assets, based on internal assessment and technical evaluation carried out by the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

#### c) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Major Computer software in the nature of ERP license is amortized over a period of 5 years and other softwares are charged off within one year of purchase.

#### e) Leases

##### Where the Company is a lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### Where the company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company

apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**f) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**g) Inventories**

**Raw materials, stores and spare parts**

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.

**Work-in-progress and finished goods**

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Revenue is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer which generally coincides with delivery of goods to the buyer. Net sales are exclusive of excise duty and sales tax. Gross sales include export incentive and service income.
- ii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- iii) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

**i) Foreign currency transactions**

**i) 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. The financial statement of foreign subsidiary is translated and recorded in the functional currency of the Company.

**ii) Conversion**

Foreign currency monetary items are reported using the closing rate. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Transactions denominated in foreign currencies are recorded in the reporting currency at exchange rate prevailing at the date of transaction.

**iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expense in the period in which they arise except those arising from investments in non-integral operations.

**iv) Forward exchange contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. Also refer notes (q) below.

**v) Translation of non-integral foreign operations**

In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operations are translated at yearly average exchange rates; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of net investment. On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

**(vi) Translation of Integral foreign operation**

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

**j) Retirement and other employee benefits**

- i) Retirement benefits in the form of Provident Fund and employee state insurance scheme are a defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The contributions are made to funds administered and managed by the government of India. There are no other obligations under these plans beyond its contributions.
- ii) Gratuity are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The contribution towards gratuity is made to Life Insurance Corporation.
- iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

**k) Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**l) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee

stock options using the fair value method. Fair value is determined by using Black Scholes Option Pricing Model. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**m) Segment accounting**

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Un-allocable Expenditure".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Income".
- iv. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

**n) Earnings/(loss) per share**

Basic earnings 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.

**o) Provision**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**Warranty provisions**

Provisions for warranty related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

**p) Cash and cash equivalents**

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

**q) Derivative instruments**

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under Accounting Standard 11 are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored. Accounting policy for forward exchange contracts is given in point (iv) of note (i) above.

**r) Contingent liability**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence or 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.

**s) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to presented earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations before exceptional items, if any. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and tax expenses.

**3. Share capital**

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Authorized shares (No. Mn.)</b>		
10,000,000 (31 March 2015: 10,000,000) equity shares of Rs. 10 each	100.00	100.00
<b>Issued, subscribed and fully paid-up shares</b>		
5,091,607 (31 March 2015: 5,091,607) equity shares of Rs. 10 each	50.92	50.92

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares

Rs. in Mn.

	31-Mar-16		31-Mar-15	
At the beginning of the year	5.09	50.92	5.07	50.70
Issued during the year	-	-	0.02	0.22
Outstanding at the end of the year	5.09	50.92	5.09	50.92

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates.**

Out of the equity Shares issued by company, shares held by holding company are as below:

Name of the Holding company	As at 31-Mar-20156 Rs. in Mn	As at 31-Mar-2015 Rs. in Mn
Brightstar Logistics Pte Ltd 2.59 Mn (March 31, 2015: 2.59 Mn) equity shares of Rs. 10 each fully paid)	25.9	25.9

Effective October 1, 2014 51% share capital of the Company was acquired by Brightstar Logistics Pte Ltd, post which it became the holding company.

**(d)** The Company has not issued any bonus shares, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

**(e) Details of shareholders holding more than 5% shares in the Company**

Rs. in Mn.

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	No. Mn.	% holding	No. Mn.	%holding
Equity shares of Rs. 10 each fully paid Brightstar Logistics Pte Ltd.	2.59	51.00%	2.59	51.00%
Bharti (RM) Holdings Private Limited	0.63	12.36%	0.63	12.36%
Bharti (SBM) Holdings Private Limited	1.01	19.78%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%

**4. Reserves and surplus**

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Capital reserve</b>	2.50	2.50
<b>Employee stock options outstanding</b>		
Gross employee stock compensation for options granted in earlier years	-	1.74
Less: amount transferred to Securities premium on exercise of stock options	-	(1.71)
Less: amount transferred to General Reserve	-	(0.03)
<b>Closing Balance</b>	-	-
<b>Securities Premium account</b>		
Opening balance	5.27	-
Add: additions on ESOPs exercised	-	5.27
<b>Closing Balance</b>	<b>5.27</b>	<b>5.27</b>
<b>General reserve</b>		
Opening balance	26.50	26.47

	31-Mar-16	31-Mar-15
Add: amount transferred from employee stock option outstanding upon cancellation/forfeiture.	-	0.03
<b>Closing Balance</b>	<b>26.50</b>	<b>26.50</b>
<b>Surplus /(deficit) in the statement of profit and loss</b>		
Opening balance	312.34	81.05
Profit / (loss) for the year	3.27	231.29
<b>Net surplus in the statement of profit and loss</b>	<b>315.61</b>	<b>312.34</b>
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	4.92	2.32
Add: movement during the year	5.25	2.60
<b>Closing Balance</b>	<b>10.17</b>	<b>4.92</b>
<b>Total reserves and surplus</b>	<b>360.05</b>	<b>351.53</b>

## 5. Other Long-term liabilities

Rs. in Mn.

	31-Mar-16	31-Mar-15
Lease equalization reserve	7.63	11.16
	<b>7.63</b>	<b>11.16</b>

## 6. Provisions

Rs. in Mn.

	Long-term		Short-term	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 27(ii))	16.19	12.50	1.15	-
Provision for compensated absences (refer note 27(ii))	9.01	7.80	1.76	1.38
	<b>25.20</b>	<b>20.30</b>	<b>2.91</b>	<b>1.38</b>
<b>Other provisions</b>				
Provision for litigations	-	-	114.10	114.10
Provision for warranties	-	2.48	41.97	30.54
Provision for taxation (net of Advance tax Rs. 40.74 Mn. (31 March 2015: Rs. 40.74Mn.))	-	-	25.74	28.72
Provision for forward contract losses	-	-	43.87	3.62
	-	<b>2.48</b>	<b>225.68</b>	<b>176.98</b>
	<b>25.20</b>	<b>22.78</b>	<b>228.59</b>	<b>178.36</b>

### Provision for warranties

The Company provides warranty on certain products dealt by it by giving the undertaking to repair / replace items, which fails to perform satisfactorily during the warranty period. Provision made as at 31 March 2016 represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be within a period of 1-5 years.

Rs. in Mn.

	31-Mar-16	31-Mar-15
	Rs. in Mn.	Rs. in Mn.
At the beginning of the year	33.02	41.69
Arising during the year	20.05	10.74
Utilized during the year	(8.71)	(17.23)
Unused amounts reversed	(2.39)	(2.18)
<b>At the end of the year</b>	<b>41.97</b>	<b>33.02</b>
Current portion	41.97	30.54
Non-current portion	-	2.48

### Provision for litigations

The Company is contending various matters pertaining to excise duty, service tax, sales tax and entry tax and has considered provision for the matters where it is probable that an outflow of resources may be required to settle the obligation.

Rs. in Mn.

	31-Mar-16	31-Mar-15
At the beginning of the year	114.10	114.10
Arising during the year	-	-
Utilized during the year	-	-
Provision reversed	-	-
<b>At the end of the year</b>	<b>114.10</b>	<b>114.10</b>
Current portion	114.10	114.10
Non-current portion	-	-

## 7. Short-term borrowings

Rs. in Mn.

	31-Mar-16	31-Mar-15
	Rs. in Mn.	Rs. in Mn.
Cash credit from banks (secured) *	456.76	72.53
Working Capital Demand Loan (secured)*	100.00	668.36
Buyer's Credit **	371.98	-
	<b>928.74</b>	<b>740.89</b>

\* Cash Credit and Working Capital Demand Loan from ANZ Banking Group Ltd which is secured by hypothecation on current, fixed, movable and immovable assets of the company. Further the above borrowing from ANZ banking Group Ltd is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd. The company is in the process of creating charge over land with Registrar of Companies.

\* Cash Credit from Kotak Mahindra Bank is secured against hypothecation on all existing and future receivable/current assets/ movable fixed assets of company.

\* Cash Credit from HDFC Bank Ltd is secured against hypothecation of stock, book debts and entire fixed assets of company and further secured against corporate guarantee by Brightstar Corp

\*\* Buyer's Credit from ANZ Banking Group Ltd which is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

## 8. Other current liabilities

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Trade payables</b>		
Payables to micro and small enterprises	3.41	-
Payable to Others*	9,422.40	2,580.74
	<b>9,425.81</b>	<b>2,580.74</b>

\*amount includes Rs. 1,600.64 Mn payable to Xiaomi Singapore Pte Ltd (Xiaomi) which will be paid to Xiaomi only after Company will receive payment from customers to whom the Company have sold Xiaomi's product.

## 9. Other current liabilities

Rs. in Mn.

	31-Mar-16	31-Mar-15
Investor Education and Protection Fund (will be credited from unpaid dividend bank account as and when due)	0.21	0.27
Advance from customers	106.64	25.59
Interest Accrued and but not due on borrowings	0.35	1.81
Lease rent equalization	4.82	1.62
Security Deposit received	1.21	0.84
<b>Others</b>		
-Sales tax payable	91.27	12.56
-Tax deducted at source payable	22.22	10.90
-Other statutory liabilities	3.09	11.60
	<b>229.81</b>	<b>65.19</b>

## 10. Tangible assets

Rs. in Mn.

	Land*	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computer	Leasehold improve-ments	Total
<b>Cost</b>								
<b>At 1 April 2014</b>	0.59	33.29	273.43	18.61	0.05	33.13	23.31	382.41
Additions	-	-	3.04	0.07	-	11.28	-	14.39
Disposals	-	-	(63.50)	(0.74)	(0.05)	(4.37)	-	(68.66)
<b>At 31 March 2015</b>	0.59	33.29	212.97	17.94	0.00	40.04	23.31	328.14
Additions	-	-	5.50	-	-	2.77	-	8.27
Disposals	-	-	(0.18)	-	-	(1.18)	-	(1.36)
<b>At 31 March 2016</b>	<b>0.59</b>	<b>33.29</b>	<b>218.29</b>	<b>17.94</b>	<b>0.00</b>	<b>41.63</b>	<b>23.31</b>	<b>335.05</b>
<b>Depreciation</b>								
<b>At 1 April 2014</b>	-	19.57	212.45	16.09	0.05	30.82	11.28	290.26
Charge for the year	-	0.95	12.44	1.30	-	1.48	2.58	18.75
Disposals	-	-	(62.47)	(0.71)	(0.05)	(4.11)	-	(67.34)

	Land*	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computer	Leasehold improve-ments	Total
<b>At 31 March 2015</b>	-	20.52	162.42	16.68	0.00	28.19	13.86	241.67
Charge for the year	-	0.87	13.10	0.18	-	4.39	2.59	21.13
Disposals	-	-	(0.06)	(0.00)	-	(1.07)	-	(1.13)
<b>At 31 March 2016</b>	-	<b>21.39</b>	<b>175.46</b>	<b>16.86</b>	<b>0.00</b>	<b>31.51</b>	<b>16.45</b>	<b>261.67</b>
<b>Net Block</b>								
At 31 March 2015	0.59	12.77	50.55	1.26	0.00	11.85	9.45	86.47
<b>At 31 March 2016</b>	<b>0.59</b>	<b>11.90</b>	<b>42.83</b>	<b>1.08</b>	<b>0.00</b>	<b>10.12</b>	<b>6.86</b>	<b>73.38</b>

\*the company is in the process of creating charge over land with Registrar of Companies

## 11. Intangible assets

Rs. in Mn.

	Goodwill*	Computer software	Total
<b>Gross block</b>			
<b>At 1 April 2014</b>	<b>90.00</b>	<b>58.73</b>	<b>148.73</b>
Additions	-	1.59	<b>1.59</b>
Disposals	<b>(90.00)</b>	-	<b>(90.00)</b>
<b>At 31 March 2015</b>	-	<b>60.32</b>	<b>60.32</b>
Additions	-	5.73	<b>5.73</b>
Disposals	-	-	-
<b>At 31 March 2016</b>	-	<b>66.05</b>	<b>66.05</b>
<b>Amortization</b>			
<b>At 1 April 2014</b>	<b>90.00</b>	<b>45.85</b>	<b>135.85</b>
Charge for the year	-	7.86	<b>7.86</b>
Disposals	<b>(90.00)</b>	-	<b>(90.00)</b>
<b>At 31 March 2015</b>	-	<b>53.71</b>	<b>53.71</b>
Charge for the year	-	5.17	<b>5.17</b>
Disposals	-	-	-
<b>At 31 March 2016</b>	-	<b>58.88</b>	<b>58.88</b>
<b>Net block</b>			
At 31 March 2015	-	<b>6.61</b>	<b>6.61</b>
<b>At 31 March 2016</b>	-	<b>7.17</b>	<b>7.17</b>

\* Post acquisition from Brightstar Logistics Pte Ltd, the Company has written off the goodwill in March 31 2015, which was fully amortized in earlier years, as company does not expect any further cash flows/benefits arising.

## 12. Deferred tax asset (net)

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	0.35
<b>Gross deferred tax liability</b>	-	<b>0.35</b>
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1.69	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	30.86	19.27
Provision for doubtful debts and advances	14.03	11.67
Provision for Inventories	25.17	20.12
Provision for litigations	2.57	8.95
Current year carry forward tax losess and unabsorbed depreciation	46.57	-
Others	7.36	19.42
<b>Gross deferred tax asset</b>	<b>128.25</b>	<b>79.43</b>
<b>Net deferred tax asset</b>	<b>128.25</b>	<b>79.08</b>

As on March 31, 2016, in accordance with Accounting Standard 22 "Accounting for Taxes on Income", deferred tax asset of Rs. 128.25 Mn has been recognised as there is virtual certainty supported by convincing evidence (i.e. Profits earned by the Company subsequent to year end and IT business profits etc), that sufficient future taxable income will be available against which such deferred tax asset can be realized.

## 13. Loans and advances

Rs. in Mn.

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Balances with statutory/ government authorities *</b>				
Unsecured, considered good	44.11	37.67	434.18	100.95
Unsecured, considered doubtful	7.58	7.28	3.45	3.53
	<b>51.69</b>	<b>44.95</b>	<b>437.63</b>	<b>104.48</b>
Provision for doubtful Balances	(7.58)	(7.28)	(3.45)	(3.53)
	<b>44.11</b>	<b>37.67</b>	<b>434.18</b>	<b>100.95</b>
<b>Security deposit</b>				
Unsecured, considered good	25.35	25.74	-	-
Unsecured, considered doubtful	0.39	-	-	-
	<b>25.74</b>	<b>25.74</b>	-	-
Provision for doubtful Balances	(0.39)	-	-	-
	<b>25.35</b>	<b>25.74</b>	-	-

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	-	-	214.76	32.74
Unsecured considered doubtful	-	-	1.38	0.71
	-	-	<b>216.14</b>	<b>33.45</b>
Provision for doubtful advances	-	-	(1.38)	(0.71)
	-	-	<b>214.76</b>	<b>32.74</b>
<b>Other Loans and Advances</b>				
Advance income-tax (net of provision of Rs. 165.04 Mn. (31 March 2015: Rs. 165.10 Mn.)	158.57	59.02	-	9.12
MAT Credit Receivable	15.60	15.34	-	-
Capital Advance	-	0.75	-	-
Due from Group Company	-	-	0.48	0.46
Prepaid expenses	-	-	28.33	14.94
Loans/Imprest to Employees	-	-	0.66	0.65
	<b>174.17</b>	<b>75.11</b>	<b>29.47</b>	<b>25.17</b>
<b>Total</b>	<b>243.63</b>	<b>138.52</b>	<b>678.41</b>	<b>158.86</b>

\* Balances with statutory/ government authorities (non-current) includes Rs. 33.57 Mn. (31 Mar 2015 Rs 26.84 Mn.) and (current) includes Rs 80.34 Mn (31 Mar 2015 Rs 60.33 Mn) being amount deposited under protest with relevant authorities.

#### 14. Other assets

Rs. in Mn.

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Non-current bank balances (note - 17)*</b>	<b>4.05</b>	<b>9.24</b>	-	-
<b>Unamortized expenditure</b>				
Unamortized premium on forward contract	-	-	16.39	4.56
<b>Others</b>				
Interest accrued on fixed deposits	-	-	0.05	1.26
	<b>4.05</b>	<b>9.24</b>	<b>16.44</b>	<b>5.82</b>

\*Margin money deposit with a carrying amount of Rs. 4.05 Mn (31 March 2015: 4.24 Mn) are hypothecated against the Bank guarantee.

# 15. Inventories (valued at lower of cost and net realizable value)

Rs. in Mn.

	31-Mar-16	31-Mar-15
Raw materials and components (including stock in transit Rs. 12.17 Mn. (31 March 2015: Rs.11.47 Mn.)) (refer note 20)	41.46	44.40
Less: Provision for Obsolete/Slow moving stock	(1.82)	(0.48)
	<b>39.64</b>	<b>43.92</b>
Finished goods (refer note 21)	30.53	29.01
Less: Provision for Obsolete/Slow moving stock	(0.19)	(0.11)
	<b>30.34</b>	<b>28.90</b>
Work in progress	<b>5.80</b>	<b>4.83</b>
Traded goods (including stock-in-transit Rs. 218.35Mn. (31 March 2015: Rs.212.83 Mn.)) (refer note 21)	3,534.10	1,517.14
Less: Provision for Obsolete/Slow moving stock	(70.62)	(63.19)
	<b>3,463.48</b>	<b>1,453.95</b>
Stores and spares	2.19	2.40
Less: Provision for Obsolete/Slow moving stock	(0.13)	(0.14)
	<b>2.06</b>	<b>2.26</b>
	<b>3,541.32</b>	<b>1,533.86</b>

# 16. Trade receivables

Rs. in Mn.

	Current	
	31-Mar-16	31-Mar-15
<b>Debts outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	8.88	1.82
Unsecured, considered doubtful	7.35	3.24
	<b>16.23</b>	<b>5.06</b>
Provision for doubtful receivables	(7.35)	(3.24)
	<b>8.88</b>	<b>1.82</b>
<b>Other receivables</b>		
Unsecured, considered good	6,435.50	1,845.97
Unsecured, considered doubtful	7.84	8.42
	<b>6,443.34</b>	<b>1,854.39</b>
Provision for doubtful receivables	(7.84)	(8.42)
	<b>6,435.50</b>	<b>1,845.97</b>
	<b>6,444.38</b>	<b>1,847.79</b>

Includes Rs. 464.06 Mn secured against bank guarantees issued by customers, Rs. 3,994.37 Mn against credit insurance and Rs. 8.42 Mn against Letter of credit.

## 17. Cash and bank balances

Rs. in Mn.

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Cash and cash equivalents</b>				
<i>Balances with banks:</i>				
– On current accounts	-	-	116.92	130.73
Cash on hand	-	-	0.06	0.10
	-	-	<b>116.98</b>	<b>130.83</b>
<b>Other bank balances</b>				
On Current accounts under lien			1.81	1.52
On unpaid dividend account			0.21	0.34
Deposits under lien with original maturity for more than 12 months	4.05	5.00	-	-
Margin money*	-	4.24	-	-
	<b>4.05</b>	<b>9.24</b>	<b>2.02</b>	<b>1.86</b>
Amount disclosed under non-current assets (note 14)	<b>(4.05)</b>	<b>(9.24)</b>	-	-
	-	-	<b>119.00</b>	<b>132.69</b>

\*Margin money deposit of Rs. 4.05 Mn (31 March 2015: 4.24 Mn) are against the Bank guarantee.

## 18. Revenue from operations

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	777.22	788.16
Traded goods	39,443.77	10,186.46
<b>Sale of services</b>	21.69	10.76
<b>Other operating revenue</b>		
Scrap sales	0.57	0.26
<b>Revenue from operations (gross)</b>	<b>40,243.25</b>	<b>10,985.64</b>
Less: Excise duty #	103.66	60.51
<b>Revenue from operations (net)</b>	<b>40,139.59</b>	<b>10,925.13</b>

# Excise duty on sales amounting to Rs. 103.66 Mn. (31 March 2015: Rs. 60.51 Mn.) has been reduced from sales in Statement of profit and loss account and excise duty on increase/decrease in stock amounting to Rs. (0.87) Mn. (31 March 2015: Rs. 0.61 Mn.) has been considered as (income)/expense in note 23 of financial statements.

## Detail of products sold

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Finished goods sold</b>		
Landline phones	777.22	788.16
	<b>777.22</b>	<b>788.16</b>
<b>Traded goods sold</b>		
Landline phones	432.38	465.97
Set top box	-	9.80
Modem/data card	3,880.95	1,891.98
Mobile phones and IT Peripherals	27,962.09	2,433.93
Memory devices	1,712.49	1,823.29
Voice and data products	718.27	697.03
Board room solutions	2,581.17	1,813.30
Networking equipment	2,156.41	1,051.26
	<b>39,443.77</b>	<b>10,186.46</b>
	<b>40,220.99</b>	<b>10,974.62</b>

## 19. Other income

Rs. in Mn.

	31-Mar-16	31-Mar-15
Interest income on :		
Bank deposits	3.04	0.79
Others	3.05	5.15
Amounts written back	1.96	20.59
Rental income	-	24.96
Miscellaneous Income	9.00	0.05
Profit on sale of fixed assets	0.05	-
	<b>17.10</b>	<b>51.54</b>

## 20. Cost of raw material and components consumed

Rs. in Mn.

	31-Mar-16	31-Mar-15
Inventory at the beginning of the year	44.40	34.22
Add: Purchases during the year	524.60	310.51
	569.00	344.73
Less: inventory at the end of the year	41.46	44.40
Cost of raw material and components consumed	<b>527.54</b>	<b>300.33</b>

### Details of raw material and components consumed

Rs. in Mn.

	31-Mar-16	31-Mar-15
Moulding Materials	42.23	44.11
LCD Modules	49.35	37.18
Avivo Mobile	225.46	-
Others	210.50	219.04
	<b>527.54</b>	<b>300.33</b>

### Details of inventory

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Raw material and components</b>		
Moulding Materials	6.86	3.25
LCD Modules	3.84	3.90
Others	30.76	37.25
	<b>41.46</b>	<b>44.40</b>

### 21. (Increase)/ decrease in inventories

Rs. in Mn.

	31-Mar-16	31-Mar-15
Inventories at the end of the year		
Traded goods	3,534.10	1,517.14
Work-in-progress	5.80	4.83
Finished goods	30.53	29.01
	<b>3,570.43</b>	<b>1,550.98</b>
Inventories at the beginning of the year		
Traded goods	1,517.14	384.09
Work-in-progress	4.83	5.06
Finished goods	29.01	41.83
	<b>1,550.98</b>	<b>430.98</b>
<b>(Increase) /decrease in Inventory</b>	<b>(2,019.45)</b>	<b>(1,120.00)</b>

### Details of purchase of traded goods and service cost

Rs. in Mn.

	31-Mar-16	31-Mar-15
Landline phones	396.47	355.19
Set top Box	-	-
Modem/data Card	3,833.27	1,893.99
Mobile phones and IT Peripherals	29,237.38	3,177.26
Memory devices	1,694.13	1,794.04
Voice & data products	652.45	643.54
Board room solution	2,494.05	1,862.43
Networking equipment	2,114.29	922.56
<b>Purchase of Goods</b>	<b>40,422.04</b>	<b>10,649.01</b>
Spare parts	-	-
Service cost	11.66	3.68
<b>Purchase of Services</b>	<b>11.66</b>	<b>3.68</b>
	<b>40,433.70</b>	<b>10,652.69</b>

### Details of Inventory

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Traded goods</b>		
Landline phones	38.27	31.36
Set top Box	-	-
Modem/data Card	264.31	194.30
Mobile phones and IT peripherals	2,407.26	817.74
Memory devices	150.39	89.57
Voice & data products	60.94	48.00
Board room solution	289.25	228.11
Networking equipment	319.57	101.06
Spare parts	4.11	7.00
	<b>3,534.10</b>	<b>1,517.14</b>
<b>Work-in-progress</b>		
Landline phones	5.80	4.83
	<b>5.80</b>	<b>4.83</b>
<b>Finished goods</b>		
Landline phones	30.53	29.01
	<b>30.53</b>	<b>29.01</b>

## 22. Employee benefits expense

Rs. in Mn.

	31-Mar-16	31-Mar-15
Salaries, wages and bonus	415.90	294.27
Gratuity expense (refer note 27(ii))	8.78	11.03
Contribution to provident and other funds	18.61	14.17
Staff welfare expenses	8.45	7.43
Recruitment expenses	4.74	8.31
	<b>456.48</b>	<b>335.21</b>

## 23. Other expenses

Rs. in Mn.

	31-Mar-16	31-Mar-15
Rent	25.02	33.85
Rates & taxes	0.54	2.40
Insurance charges	30.20	11.34
Power & fuel	12.52	12.80
Excise duty on account of increase/(decrease) in stock of finished goods	(0.87)	0.61
Consumption of stores and spares	3.13	3.84
Repair & maintenance:		
-Building	0.32	0.50
-Others	46.15	44.67
Travelling & conveyance	41.48	38.63
Communication expenses	12.43	6.10
Printing & stationery	1.65	1.35
Legal & professional expenses	23.58	76.00
Security charges	3.78	2.93
Electricity & water charges	3.30	2.17
Charity & donation	0.09	0.37
Corporate Social Responsibility expenses	0.46	-
Amount/trade receivables written off**	0.80	19.01
Exchange rate difference (net)	64.93	27.33
Premium on Forward cover Contract amortized	15.53	3.37
Loss/(Profit) on Sale of fixed assets(Net)	-	0.63
Provision for doubtful debts *	3.53	(0.52)
Provision for obsolete/slow moving stock	8.78	5.92
Provision for doubtful advances/claim	1.28	4.40
Miscellaneous expenses	36.15	11.03
Bank Charges	13.82	11.48

	31-Mar-16	31-Mar-15
Freight and cartage	77.55	55.16
Advertisement & marketing expenses	4.59	54.81
Sales Promotion & Schemes expenses	42.42	38.65
Rebate and discounts	28.10	18.76
Commission on Sales	11.41	23.11
Service charges	43.45	25.30
Warranty cost (net of reversals)	28.71	34.42
	<b>584.83</b>	<b>570.42</b>

\*Negative amounts indicate reversals/amount net off written back.

\*\* (after write off of Rs. Nil from provision of doubtful debts and Rs. Nil from provision of doubtful advances (31 Mar 2015 Rs. 2.70 Mn. from provision of doubtful debts and Rs. 5.18 Mn. from provision of doubtful advances).

**Payment to auditor** (as included in Legal and professional expenses) Rs. in Mn.

	31-Mar-16	31-Mar-15
As auditor:		
Audit fee	2.87	4.20
In other capacity:		
Other services (certification and others)	-	0.70
Reimbursement of expenses	0.34	0.45
	<b>3.21</b>	<b>5.35</b>

**24. Finance costs** Rs. in Mn.

	31-Mar-16	31-Mar-15
Interest	190.58	38.21
	<b>190.58</b>	<b>38.21</b>

**25. Depreciation and amortization expense** Rs. in Mn.

	31-Mar-16	31-Mar-15
Depreciation of tangible assets	21.13	18.75
Amortization of intangible assets	5.17	7.86
	<b>26.30</b>	<b>26.61</b>

## 26. Earnings/loss per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Rs. in Mn.

	31-Mar-16	31-Mar-15
<b>Total operations for the year</b>		
Profit/ (loss) after tax	3.27	231.29
	<b>No. in Mn.</b>	<b>No. in Mn.</b>
Weighted average number of equity shares in calculating basic and diluted EPS	5.09	5.08
<b>Earnings/ (loss) per share – basic &amp; diluted</b>	<b>0.64</b>	<b>45.53</b>

## 27. Employee benefits

### Gratuity

The Company has a defined benefit gratuity plan. The scheme is a defined benefit arrangement providing gratuity benefit expensed in terms of final monthly salary and service. Every employee gets a gratuity on departure at 15 days salary for each completed year of service. However, payment to the employees who have joined prior to April 1, 2008 is subject to a maximum limit of Rs 1,000,000. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

### Statement of profit and loss

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Current service cost	6.08	3.14
Interest cost on benefit obligation	2.90	2.53
Expected return on plan assets	(2.10)	(2.33)
Net actuarial( gain) / loss recognized in the year	1.90	7.69
<b>Net benefit expense</b>	<b>8.78</b>	<b>11.03</b>

### Balance sheet

### Benefit asset/ liability

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Present value of defined benefit obligation	(44.97)	(37.29)
Fair value of plan assets	27.63	24.79
<b>Plan asset / (liability)</b>	<b>(17.34)</b>	<b>(12.50)</b>

**Changes in the present value of the defined benefit obligation are as follows:**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Opening defined benefit obligation	37.29	31.60
Acquisition adjustment	0.00	0.48
Current service cost	6.08	3.14
Interest cost	2.90	2.53
Benefits paid	(3.20)	(8.15)
Actuarial (gains) / losses on obligation	1.90	7.69
<b>Closing defined benefit obligation</b>	<b>44.97</b>	<b>37.29</b>

**Changes in the fair value of plan assets are as follows:**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Opening fair value of plan assets	24.79	27.17
Expected return	2.10	2.33
Contributions by employer	2.33	0.16
Benefits paid	(1.59)	(4.87)
<b>Closing fair value of plan assets</b>	<b>27.63</b>	<b>24.79</b>

The Company expects to contribute Rs. 22.81 Mn. to gratuity in the next year. (31 March 2015: Rs 18.20 Mn.)

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Rs. in Mn.

	Gratuity	
	31-Mar-16	31-Mar-15
Investments with insurer	100%	100%

**The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:**

Rs. in Mn.

	31-Mar-16	31-Mar-15
Discount rate	7.70%	7.75%
Expected rate of return on assets	8.50	8.50
Employee turnover	0%-37.5%	0%-37.5%
Salary escalation rate	8%	8%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous four years are as follows:

Rs. in Mn.

	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
<b>Gratuity</b>					
Defined benefit obligation	44.97	37.29	31.60	28.13	29.93
Plan assets	27.63	24.79	27.17	25.94	23.96
Surplus / (deficit)	(17.34)	(12.50)	(4.43)	(2.19)	(5.97)
Experience adjustments on plan liabilities	(1.77)	(1.36)	(2.89)	(3.45)	(1.41)
Experience adjustments on plan assets	(0.00)	(0.00)	(0.15)	0.38	0.18

ii) Actuarial assumptions for long term compensated absences

	31-Mar-16	31-Mar-15
Discount rate	7.70%	7.75%
Employee turnover	0%-37.5%	0%-37.5%
Salary escalation rate	8%	8%
Mortality table used	IALM 2006-08	IALM 2006-08

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 28. Leases

The Company has taken certain office and warehouse space on lease. Rental expense towards such leases charged to statement of profit and loss amounts to Rs. 25.02 Mn. (31 Mar 2015 Rs. 33.85 Mn.). The Company had entered into a leave and license arrangement for lease of its Corporate office effective November 1, 2009 for a period of 9 years with a lock-in period of 3 years. The rent is subject to escalation of 15% every three years.

Details of non cancellable operating lease commitments are as under:

Rs. in Mn.

	31-Mar-16	31-Mar-15
Within one year	20.83	34.20
After one year but not more than five years	23.74	78.94
More than five years	-	-
	<b>44.57</b>	<b>113.14</b>

## 29. Segment information

The business segment has been considered as the primary segment. The reportable business segments are "Beetel Products" and "Distribution Products". Beetel products include customer premises equipment like landline phones, modems, set top boxes and Information Technology peripherals. Distribution products cover mobile phones, memory devices, data cards, voice and data products, board room solutions, networking equipments which are sold under non-Beetel brand etc.

In terms of geographical segment, the Company's sales outside India are not material and do not qualify as a separate reportable segment as per provisions of AS-17 "Segment Reporting".

**For the year ended 31 March 2016**

Rs. in Mn.

Reportable Segements	Beetel Products	Distribution Products	Unallocated	Total
Revenue				
Net Sales	1,324.22	38,815.37	-	40,139.59
Other Income	7.13	3.88	6.09	17.10
<b>Total Revenue</b>	<b>1,331.35</b>	<b>38,819.25</b>	<b>6.09</b>	<b>40,156.69</b>
<b>Result</b>				
Segment result, Profit/(Loss)	182.10	(27.50)	(7.31)	147.29
Financial Cost	-	-	190.58	190.58
<b>Net Profit/(Loss) before tax</b>	<b>182.10</b>	<b>(27.50)</b>	<b>(197.89)</b>	<b>(43.29)</b>
Provision for Tax				
-Current year Tax	-	9.29	-	9.29
-Tax pertaining to earlier years	-	0.63	(7.31)	(6.68)
-MAT Credit	-	-	-	-
-Deferred Tax	-	-	(49.17)	(49.17)
<b>Net Profit/(Loss) after tax</b>	<b>182.10</b>	<b>(37.43)</b>	<b>(141.43)</b>	<b>3.27</b>
<b>Other information</b>				
Segment Assests	313.72	10,565.43	377.60	11,256.75
Segment Liabilities	261.03	9,604.95	979.80	10,845.78
Capital Expenditure	-	-	11.34	11.34
Depreciation/Amortisation	12.90	-	13.40	26.30
Other non-cash Expenditure	1.36	36.51	-	37.87

**For the year ended 31st March, 2015**

(Rs. in Mn)

Reportable Segements	Beetel Products	Distribution Products	Unallocated	Total
Revenue				
Net Sales	1,486.13	9,439.00	-	10,925.13
Other Income	15.26	30.34	5.94	51.54
<b>Total Revenue</b>	<b>1,501.39</b>	<b>9,469.34</b>	<b>5.94</b>	<b>10,976.67</b>
<b>Result</b>				
Segment result, Profit/(Loss)	195.80	78.09	(62.48)	211.41
Financial Cost	-	-	38.21	38.21
Exceptional Item	-	-	-	-
<b>Net Profit/(Loss) before tax</b>	<b>195.80</b>	<b>78.09</b>	<b>(100.69)</b>	<b>173.20</b>

Reportable Segements	Beetel Products	Distribution Products	Unallocated	Total
Provison for Tax				
-Current year Tax	-	5.04	19.30	24.34
-Tax pertaining to earlier years	-	(1.00)	26.29	25.29
-MAT Credit	-	-	(28.64)	(28.64)
-Deferred Tax	-	-	(79.07)	(79.07)
<b>Net Profit/(Loss) after tax</b>	<b>195.80</b>	<b>74.04</b>	<b>(38.58)</b>	<b>231.29</b>
<b>Other information</b>				
Segment Assests	380.02	3,324.97	296.57	4,001.57
Segment Liabilities	260.43	2,538.97	799.72	3,599.12
Capital Expenditure	3.75	-	14.77	18.52
Depreciation/Amortisation	12.22	-	14.39	26.61
Other non-cash Expenditure	9.09	34.74	-	43.83

### 30. Related parties

#### i) Holding Company

Brightstar Logistics Pte Ltd.\*\*

#### ii). Significant shareholders

Brightstar Logistics Pte Ltd.\*\*

Bharti (SBM) Holdings Private Limited.\*

Bharti (RBM) Holdings Private Limited.\*

Bharti (RM) Holdings Private Limited.\*

#### iii) Ultimate Holding Company

Brighstar Corp\*\*

#### iv) Fellow Subsidiaries

Brightstar NZ Limited\*\*

Brightstar Supply Chain Services Sdn Bhd\*\*

Brightstar Telecom Services Pvt. Ltd.\*\*

Brightstar Logistics Pty Ltd\*\*

Brightstar FZE\*\*

#### v) Enterprises owned or significantly influenced by key management personnel or their relatives

Bharti Airtel Limited\*

Bharti Reality Holding Limited\*

Bharti Axa General Insurance Company Limited\*

\* Up to 30 September 2014 (The transactions with these parties for 2015 are disclosed for the period 1 April 2014 to 30 September 2014 and the balance outstanding as payable/receivable is as at 31-Mar-15)

\*\* With effect from 1 October 2014

#### vi) Key management personnel

Mr. Suresh Gupta – Chief Operating Officer & Director till 31 January 2015

Mr. Alok Shankar-CEO and Whole Time Director with effect from 1 October 2014

The detail of transactions during the year ended 31 March 2015 and 31 March 2014 are as follows:

Rs. in Mn.

	Ultimate holding company		Holding company		Fellow Subsidiary		Key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Sales of goods and services												
Bharti Airtel Limited	-	-			-	-	-	-	-	516.03	-	516.06
<b>Purchase of goods &amp; services</b>												
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	3.57	-	3.57
Bharti Reality Holding Ltd	-	-	-	-	-	-	-	-	-	3.67	-	3.67
Bharti Axa General Insurance Co. Ltd	-	-	-	-	-	-	-	-	-	1.50	-	1.50
Brightstar Corp	266.96	-	-	-	-	-	-	-	-	-	266.96	-
<b>Expenses Incurred by related parties on behalf of the Company</b>												
Brightstar Logistics Pte Ltd	-	-	6.44	4.95	-	-	-	-	-	-	6.44	4.95
Brightstar Logistics Pty Ltd	-	-	-	-	0.01	9.46	-	-	-	-	0.01	9.46
Brightstar FZE	-	-	-	-	0.25	0.68	-	-	-	-	0.25	0.68
Brightstar NZ Ltd	-	-	-	-	-	0.41	-	-	-	-	-	0.41
Brightstar Supply Chain Services SDN bHD	-	-	-	-	0.38	-	-	-	-	-	0.38	-
Brightstar Telecom Service Pvt Ltd, Sri Lanka	-	-	-	-	0.08	-	-	-	-	-	0.08	-
<b>Expenses Incurred by Company on behalf of related parties</b>												
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	6.90	-	6.90
Brightstar Logistics Pty Ltd	-	-	-	-	-	4.28	-	-	-	-	-	4.28
Brightstar Corp		0.46	-	-	-	-	-	-	-	-	-	0.46
<b>Purchase of Capital item</b>												
Brightstar Logistics Pty Ltd	-	-	-	-	2.58	1.54	-	-	-	-	2.58	1.54
Brightstar Supply Chain Services Sd	-	-	-	-	0.38	1.16	-	-	-	-	0.38	1.16
<b>Service Fee Paid</b>												
Brightstar Logistics Pty Ltd	-	-	-	-	22.48	-	-	-	-	-	22.48	-
<b>Remuneration (refer note)</b>												

	Ultimate holding company		Holding company		Fellow Subsidiary		Key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Mr. Suresh Gupta	-	-	-	-	-	-	-	20.52	-	-	-	20.52
Mr. Alok shankar	-	-	-	-	-	-	27.36	11.91	-	-	27.36	11.91
<b>Rent Received</b>												
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	7.80	-	7.80
<b>Rent Paid</b>												
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	1.51	-	1.51
<b>Due to</b>												
Brightstar Logistics Pte Ltd	-	-	8.57	3.64	-	-	-	-	-	-	8.57	3.64
Brightstar Logistics Pty Ltd	-	-	-	-	18.39	3.60	-	-	-	-	18.39	3.60
Brightstar FZE	-	-	-	-	-	0.68	-	-	-	-	-	.68
Brightstar NZ Ltd	-	-	-	-	-	0.30	-	-	-	-	-	0.30
Brightstar Supply Chain Services Sdn Bhd	-	-	-	-	1.26	0.92	-	-	-	-	1.26	0.92
Brightstar Telecom Service Pvt Ltd, Sri Lanka	-	-	-	-	0.08	-	-	-	-	-	0.08	-
Brightstar Corp	267.92	-	-	-	-	-	-	-	-	-	267.92	-
Bharti Reality Holding Ltd	-	-	-	-	-	-	-	-	-	0.48	-	0.48
<b>Due from</b>												
Bharti Airtel Limited	-	-	-	-	-	-	-	-	-	199.45	-	199.45
Brightstar Corp	-	0.46	-	-	-	-	-	-	-	-	-	0.46

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### 31. Capital and other commitments

- Estimated amount of contracts to be executed on capital account and not provided for (net of advances Rs Nil) is Rs. Nil Mn. (31 March 2015 Rs. 1.00 Mn.).
- For commitments relating to lease arrangements, please refer note 28.

The Company has other commitments for purchase orders which are issued after considering requirements as per operating cycle for purchase of goods and services. The Company does not have any long term commitment or material non-cancelable contractual commitments/contracts which might have a material impact on the financial statements

**32. Contingent liabilities**

Rs. in Mn.

	<b>31-Mar-2016</b>	<b>31-Mar-2015</b>
Guarantees issued (Refer Note a)	-	281.93
Claims against the Company not acknowledged as debts (excluding cases where the possibility of any outflow in settlement is remote):		
(i) Sales tax/excise duty and service tax demands	197.59	56.17
(ii) Income-tax demands	1.43	1.43
(iii) Others	4.53	22.73
	<b>203.55</b>	<b>362.26</b>

- a) Guarantees includes a corporate guarantee amounting to Nil (31 March 2015 USD 4,500,000) issued to GE Capital Services Pte. Ltd. on behalf of Company's wholly owned subsidiary Beetel Teletech Singapore Private Limited.

**33. Derivative instruments and unhedged foreign currency exposure**

The Company takes foreign currency derivative instruments to hedge its foreign currency risk on its trade receivables and payables. As at the year end, the Company had outstanding forward contracts of USD 255,23,754 , AUD 503,864 and EURO 96,099 (31 March 2015- USD 7,206,527) towards underlying payables. The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as on 31 March 2016 and 31 March 2015 are as under:

<b>Particulars</b>	<b>Currency</b>	<b>As at 31-Mar-2016</b>	<b>As at 31-Mar-2015</b>
Current trade receivables	USD in Mn.	0.04	0.95
	Rs in Mn.*	2.74	59.81
Current trade payables	USD in Mn.	2.40	2.68
	Rs in Mn*	159.39	167.76
	AUD in Mn.	-	0.07
	Rs in Mn***	-	3.34
	EURO in Mn	0.02	-
	RS in Mn.	1.65	-
Current advances to supplier	USD in Mn	0.03	0.13
	Rs in Mn.*	2.31	8.20
Current advances from customer	USD in Mn	0.08	0.00
	Rs in Mn.**	5.37	0.03

\*Exchange rates 1 USD=Rs. 66.31 (31 March 2015: 1 USD=Rs. 62.65)

\*\* Exchange rates 1 EURO=Rs.74.02 (31 March 2015: Nil)

\*\*\* Exchange rates 1 AUD=Nil (31 March 2015: 1 AUD=Rs. 47.83)

### 34. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Rs. in Mn.

		(Rs. in Mn.)	
		31-Mar-16	31-Mar-15
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	3.41	-
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
3	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The above is on the basis of confirmations sent by the management to the suppliers.

### 35. The share of subsidiaries in the Net Assets & Profit is as below:

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss			
	Amount	As % of consolidated net assets	Standalone profits (in INR)	Eliminations (in INR)	Amount (After Eliminations)	As % of consolidated profit or loss
<b>Parent:</b>						
Beetel Teletech Limited	272.50	66%	-53.20	-5.49	-58.69	-1796%
<b>Subsidiaries:</b>						
Foreign - Beetel Teletech Singapore Pvt Ltd	138.46	34%	56.47	5.49	61.96	1896%
<b>Total</b>	<b>410.95</b>	<b>100%</b>	<b>3.27</b>	<b>-</b>	<b>3.27</b>	<b>100%</b>

36. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Last year financials have been audited by predecessor auditor's

As per our report of even date attached

**For and on behalf of the Board of Directors of  
Beetel Teletech Limited**

**Alok Shankar**  
Director  
(DIN:01122940)

**Dharshan Nanayakkara**  
Director  
(DIN: 06930415)

**Neeru Bhalla**  
Company Secretary

**Puneet Khanna**  
Chief Financial Officer

# BEETEL TELETECH LIMITED

(A Brightstar Company)

(CIN: U32204HR1999PLC042204)

Regd.Office:1st Floor, Plot No. 16, Udyog Vihar Phase IV, Gurgaon-122015, Haryana, India

T: +91-124-4823500, F:+91-124-4146130

website:www.beetel.in

## ATTENDANCE SLIP

### 17<sup>th</sup> Annual General Meeting

S.No. :

Folio No. / DP ID / Client ID	
Name	
Address	
Shareholder Joint 1	
Shareholder Joint 2	
No. of Shares Held	
PAN No. / Sequence No.	

1.I hereby record my presence at the 17<sup>th</sup> ANNUAL GENERAL MEETING of the Company being held on Tuesday, the 20<sup>th</sup> September, 2016 at 10:00 A.M. at K-3, DLF Phase-II, Community Centre, Gurgaon- 122002

Member's Folio / DP ID-Client ID no.

Member's / Proxy's name in Block letters

Member's/Proxy's signature

Proxy's name : .....

- Note :** 1. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
2. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Notice for reference at the meeting.

## E-VOTING PARTICULARS

EVS (E-Voting Sequence Number)	User ID (16 digits demat Account/ Folio No.)	Password / PIN

**Note :** Please read instructions given under Note to the Notice of 17th Annual General Meeting carefully before voting electronically.

# BEETEL TELETECH LIMITED

(A Brightstar Company)

Regd.Office:1st Floor, Plot No. 16, Udyog Vihar Phase IV, Gurgaon-122015, Haryana, India

Form No. MGT-11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U32204HR1999PLC042204

Name of the Member(s)	:	
Registered Address	:	
E.mail ID	:	
Folio No./DP ID/Client ID	:	
E-mail ID	:	

I/We, being the member(s) holding ..... shares in the above named Company, hereby appoint

- Name:.....Address:.....  
E.mail ID:.....Signature:.....or failing him
- Name:.....Address:.....  
E.mail ID:.....Signature:.....or failing him
- Name:.....Address:.....  
E.mail ID:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Seventeenth (17<sup>th</sup>) Annual General Meeting** of Shareholders of Beetel Teletel Limited (the Company) on **Tuesday, the 20<sup>th</sup> September, 2016 at 10:00 A.M.** at K-3, DLF Phase-II, Community Centre, Gurgaon 122002 and at any adjournment thereof in respect of such resolutions as indicated below:

Sl. No.	Particulars	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Annual Accounts (Standalone and Consolidated) along with Board's Report and Auditors Report		
2.	Appointment of a Director in place of a Director retiring by rotation		
3.	Ratification of appointment of Statutory Auditors		
	<b>Special Business</b>		
4.	Appointment of a Director liable to retire by rotation		
5.	Appointment of a Director liable to retire by rotation		
6.	Approval of remuneration of Whole Time Director		
7.	Approval of appointment and remuneration of Whole Time Director		
8.	Ratification of remuneration payable to the Cost auditor		

Signed this ..... day of .....2016

Signature of shareholder .....

Signature of proxy holder(s) .....

Affix  
Revenue  
Stamp

**Note:** 1. This form of proxy in order to be effective should be duly completed and deposited at the registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





---

**Beetel Teletech Limited** (a Brightstar Company)

CIN: U32204HR1999PLC042204

Regd. Office: 1st Floor, Plot No. 16, Udyog Vihar Phase IV, Gurgaon-122015, Haryana, India

T: +91-124-4823500, F: +91-124-4146130, W: [www.beetel.in](http://www.beetel.in)