

# Notes

to consolidated financial statements

## 1. Corporate Information

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE"), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as "the Group". The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia. The services provided by the Group are further detailed in Note 5 under segment reporting.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home digital TV services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 3.

## 2. Basis of Preparation

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

These financial statements are presented in Indian Rupees ('Rupees' or '₹') and all amount are rounded to the nearest million ('Mn'), except as stated otherwise.

## 3. Principles of Consolidation

- i. The consolidated financial statements have been prepared on the following basis:
  - a. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
  - b. The net assets and net income attributable to minority interest are shown separately in the Balance Sheet and Statement of profit and loss respectively. The losses applicable to the minority in excess of the minority interest in the net assets of a subsidiary are adjusted against the majority interest. If such subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority share of losses previously absorbed by the majority has been recovered.
  - c. Gain / Loss arising on acquisition or dilution of equity in a subsidiary company is accounted in 'General Reserve', a component of 'Reserves and Surplus'.
  - d. The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealised profit or losses.
  - e. The Group's interests in Associates are accounted for using equity method, whereby the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.

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II. The subsidiaries, joint ventures and associates considered in the consolidated financial statement of the group are as under:

## A. Details of Subsidiaries:

S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Airtel Bangladesh Limited (refer note 36(d))	Bangladesh	100	100
2	Airtel M Commerce Services Limited	India	80.10	100
3	Bangladesh Infratel Networks Limited <sup>#</sup>	Bangladesh	100	100
4	Bharti Airtel (Canada) Limited <sup>**</sup>	Canada	-	100
5	Bharti Airtel (France) SAS	France	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	100	100
7	Bharti Airtel (Japan) Kabushiki Kaisha	Japan	100	100
8	Bharti Airtel Services Limited	India	100	100
9	Bharti Airtel (UK) Limited	United Kingdom	100	100
10	Bharti Airtel (USA) Limited	United States of America	100	100
11	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	100	100
12	Bharti Airtel International (Mauritius) Limited	Mauritius	100	100
13	Bharti Airtel International (Netherlands) B.V.	Netherlands	100	100
14	Bharti Airtel Lanka (Private) Limited	Sri Lanka	100	100
15	Bharti Hexacom Limited	India	70	70
16	Indo Teleports Limited (formerly known as Bharti Teleports Limited) <sup>@</sup>	India	95	-
17	Bharti Infratel Lanka (Private) Limited <sup>#</sup>	Sri Lanka	100	100
18	Bharti Infratel Limited	India	71.76	71.88
19	Bharti Infratel Services Limited <sup>**</sup>	India	71.76	71.88
20	Smartx Services Limited (subsidiary w.e.f. September 21, 2015) <sup>*</sup>	India	71.76	-
21	Bharti International (Singapore) Pte Ltd.	Singapore	100	100
22	Bharti Telemedia Limited	India	95	95
23	Network i2i Limited	Mauritius	100	100
24	Telesonic Networks Limited	India	100	100
25	Airtel Broadband Services Private Limited (merged with Bharti Airtel Limited w.e.f. April 9, 2015)	India	-	100
26	Nxtra Data Limited	India	100	100
27	Wynk Limited	India	100	100
28	Africa Towers N.V.	Netherlands	100	100
29	Africa Towers Services Limited	Kenya	100	100
30	Airtel Ghana Limited <sup>^</sup>	Ghana	75	75
31	Airtel (Seychelles) Limited	Seychelles	100	100
32	Airtel (SL) Limited	Sierra Leone	100	100
33	Airtel Burkina Faso S.A.	Burkina Faso	100	100
34	Airtel Congo S.A.	Congo Brazzavile	90	90

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S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
35	Airtel DTH Services (SL) Limited^^	Sierra Leone	100	100
36	Airtel DTH Services Congo (RDC) S.p.r.l.##	Democratic Republic of Congo	-	100
37	Airtel DTH Services Nigeria Limited#	Nigeria	100	100
38	Airtel Gabon S.A.	Gabon	90	90
39	Airtel Madagascar S.A.	Madagascar	100	100
40	Airtel Malawi Limited	Malawi	100	100
41	Airtel Mobile Commerce (SL) Limited	Sierra Leone	100	100
42	Airtel Mobile Commerce B.V.	Netherlands	100	100
43	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	100	100
44	Airtel Mobile Commerce (Ghana) Limited	Ghana	75	100
45	Airtel Mobile Commerce Holdings B.V.	Netherlands	100	100
46	Airtel Mobile Commerce (Kenya) Limited	Kenya	100	100
47	Airtel Mobile Commerce Limited	Malawi	100	100
48	Airtel Mobile Commerce Madagascar S.A.	Madagascar	100	100
49	Airtel Mobile Commerce Rwanda Limited	Rwanda	100	100
50	Airtel Mobile Commerce (Seychelles) Limited	Seychelles	100	100
51	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	100	100
52	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	100	100
53	Airtel Mobile Commerce Uganda Limited	Uganda	100	100
54	Airtel Mobile Commerce Zambia Limited	Zambia	100	100
55	Airtel Money (RDC) S.A.	Democratic Republic of Congo	100	100
56	Airtel Money Niger S.A.	Niger	90	100
57	Airtel Money S.A. (Gabon)	Gabon	100	100
58	Airtel Networks Kenya Limited^	Kenya	100	100
59	Airtel Networks Limited	Nigeria	79.059	79.059
60	Airtel Networks Zambia Plc	Zambia	96.36	96.36
61	Airtel Rwanda Limited	Rwanda	100	100
62	Airtel Tanzania Limited	Tanzania	60	60
63	Airtel Tchad S.A.	Chad	100	100
64	Airtel Towers (Ghana) Limited	Ghana	75	75
65	Airtel Towers (SL) Company Limited	Sierra Leone	100	100
66	Airtel Uganda Limited^	Uganda	100	100
67	Bharti Airtel Africa B.V.	Netherlands	100	100
68	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	100	100
69	Bharti Airtel Chad Holdings B.V.	Netherlands	100	100
70	Bharti Airtel Congo Holdings B.V.	Netherlands	100	100
71	Bharti Airtel Developers Forum Limited	Zambia	96.36	100
72	Bharti Airtel DTH Holdings B.V.	Netherlands	100	100
73	Bharti Airtel Gabon Holdings B.V.	Netherlands	100	100
74	Bharti Airtel Ghana Holdings B.V.	Netherlands	100	100
75	Bharti Airtel Kenya B.V.	Netherlands	100	100

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S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
76	Bharti Airtel Kenya Holdings B.V.	Netherlands	100	100
77	Bharti Airtel Madagascar Holdings B.V.	Netherlands	100	100
78	Bharti Airtel Malawi Holdings B.V.	Netherlands	100	100
79	Bharti Airtel Mali Holdings B.V.	Netherlands	100	100
80	Bharti Airtel Niger Holdings B.V.	Netherlands	100	100
81	Bharti Airtel Nigeria B.V.	Netherlands	100	100
82	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	100	100
83	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	100	100
84	Bharti Airtel RDC Holdings B.V.	Netherlands	100	100
85	Bharti Airtel Services B.V.	Netherlands	100	100
86	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	100	100
87	Bharti Airtel Tanzania B.V.	Netherlands	100	100
88	Bharti Airtel Uganda Holdings B.V.	Netherlands	100	100
89	Bharti Airtel Zambia Holdings B.V.	Netherlands	100	100
90	Burkina Faso Towers S.A.**	Burkina Faso	-	100
91	Celtel (Mauritius) Holdings Limited	Mauritius	100	100
92	Airtel Congo (RDC) S.A. (formerly known as Celtel Congo (RDC) S.a.r.l.)	Democratic Republic of Congo	98.5	98.5
93	Celtel Niger S.A.	Niger	90	90
94	Channel Sea Management Company (Mauritius) Limited	Mauritius	100	100
95	Congo RDC Towers S.A.	Democratic Republic of Congo	100	100
96	Congo Towers S.A.^	Congo Brazzavile	90	90
97	Gabon Towers S.A.#	Gabon	90	90
98	Indian Ocean Telecom Limited	Jersey	100	100
99	Kenya Towers Limited (refer note 16)	Kenya	-	100
100	Madagascar Towers S.A.	Madagascar	100	100
101	Malawi Towers Limited	Malawi	100	100
102	Mobile Commerce Congo S.A.	Congo Brazzavile	100	100
103	Montana International	Mauritius	100	100
104	MSI-Celtel Nigeria Limited#	Nigeria	100	100
105	Niger Towers S.A.**	Niger	-	90
106	Partnership Investments S.a.r.l.	Democratic Republic of Congo	100	100
107	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	100	100
108	Tanzania Towers Limited	Tanzania	60	60
109	Tchad Towers S.A.	Chad	100	100
110	Towers Support Nigeria Limited#	Nigeria	79.059	79.059
111	Uganda Towers Limited (refer note 16)	Uganda	-	100

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S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
112	Warid Telecom Uganda Limited (in process of Amalgamation with Airtel Uganda Limited)	Uganda	100	100
113	Warid Congo S.A. (Merged with Airtel Congo S.A. w.e.f. November 9, 2015)	Congo Brazzaville	-	90
114	Zambian Towers Limited (refer note 16)	Zambia	-	96.36
115	Zap Trust Company Nigeria Limited <sup>#</sup>	Nigeria	100	100
116	Airtel Money Transfer Limited (subsidiary w.e.f. July 20, 2015)	Kenya	100	-
117	Bharti Airtel Rwanda Holdings Limited (formerly known as Zebrano (Mauritius) Limited)	Mauritius	100	100

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.

^ The Group also holds 100% preference shareholding in these companies. The preference shares does not carry any voting rights.

^^ Dissolved subsequent to the balance sheet date on April 1, 2016.

# Under Liquidation.

## Dissolved during the year ended March 31, 2016.

Note : Augere Wireless Broadband Private Limited has not been considered as a subsidiary. (refer note 36(e))

## B. Details of Joint ventures:

S.no	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Indus Towers Limited *	India	30.14	30.19
2	Bridge Mobile Pte Limited	Singapore	10	10
3	Forum I Aviation Ltd	India	-	16.67
4	FireFly Networks Limited	India	50	50

\* Bharti Infratel Limited ("BIL"), in which the Group has 71.76% equity interest (71.88% as of March 31, 2015), owns 100% of Bharti Infratel Services Limited, 100% of Smartx Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited as of March 31, 2015).

## C. Details of Associates:

S.no	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited) <sup>@</sup>	India	-	49
2	Tanzania Telecommunications Company Limited	Tanzania	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	26	26

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.

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## 4. Summary of Significant Accounting Policies

### 4.1. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

### 4.2. Tangible Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects, if the recognition criteria are met. When significant parts of tangible assets are required to be replaced in intervals, the Group recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Capital work in progress is valued at cost.

Where assets are installed on the premises of customers (commonly called Customer premise equipment –“CPE”), such assets continue to be treated as tangible assets as the associated risks and rewards remain with the Group and management is confident of exercising control over them.

The group also enters in to multiple element contracts whereby the vendors supply plant and equipments and IT related services. These are recorded on the basis of relative fair values.

Certain assets are considered to be held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Such assets are stated at the lower of book value and net realisable value.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement or disposal.

Assets are depreciated to the residual values on a straight-line basis over the useful lives of respective assets as estimated by the management. The

depreciation period and the depreciation method for a tangible asset are reviewed at least at each financial year end. Changes in the expected useful life is accounted for as changes in accounting estimates and accounted prospectively over the remaining useful life. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the depreciation method and accounted retrospectively, thus, depreciation is recalculated in accordance with the new method from the date of the asset coming into use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected. Freehold Land is not depreciated.

Estimated useful lives of the assets are as follows:

Descriptions	Years
Leasehold Land	Period of lease
Building	20
Building on Leased Land	20
Leasehold Improvements	Period of lease or 10-20 years, as applicable whichever is less.
Plant & Equipment	3 – 20
Computer	3
Office Equipment	2 - 5
Furniture and Fixtures	5
Vehicles	5
Assets taken on finance lease	Period of lease or 10 years, as applicable whichever is less.

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

### 4.3. Intangible Assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Intangible assets under development is valued at cost.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the amortisation method, and accounted retrospectively, thus, amortisation is recalculated in accordance with the new method from the date of the asset coming into



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use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected.

Gains and losses arising from retirement or disposal of the intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement or disposal.

## (i) Goodwill

Goodwill represents the excess of purchase consideration over net asset value of acquired subsidiaries and joint ventures on the date of such acquisition. Goodwill is carried at cost less accumulated amortisation and impairment, if any and is amortised on a straight-line basis over the period of 15 years from the date of acquisition.

## (ii) Software

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Software up to Rupees five hundred thousand, which has an independent use, is amortised over a period of one year from the date of place in service.

## (iii) Licenses and spectrum

Acquired licenses and spectrum are initially recognised at cost. Subsequently, they are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license / spectrum commencing from the date when the related network is available for intended use in the respective jurisdiction. The amortisation period related to licenses / spectrum acquired in an amalgamation is determined primarily by reference to their unexpired period. The useful lives of licenses/spectrum ranges from two years to twenty five years.

The revenue-share fee on licenses and spectrum is computed as per the licensing agreement and is expensed as incurred.

## (iv) Bandwidth

Payment for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the latter case it is accounted for as intangible assets and the cost is amortised over a period of fifteen years to eighteen years, depending on the period of the specific agreement.

## (v) Other acquired intangible assets

Rights acquired for unlimited license access to various applications and Brand are recognised as other acquired intangibles.

Rights acquired for unlimited license access are capitalised at the amounts paid and amortised on a straight-line basis over the period of the agreements.

Brands amortised over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.

## 4.4. Leases

### (i) Group as a lessee

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

Leases which effectively transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item are classified as finance lease. These are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit or loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leased assets are depreciated on straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated on straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Contingent rents are recognised as expense in the period in which they are incurred.

### (ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases in which the Group transfer substantially all the risks and rewards incidental to ownership of the asset are classified as finance leases.

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance Income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment of the lessor outstanding in respect of the finance lease.

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Initial direct costs are accounted over the lease term.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term.

Contingent rents are recognised as income in the period in which they are earned.

### (iii) Indefeasible right to use ('IRU')

As a part of operations, the Group enters into agreement for leasing assets under "Indefeasible right to use" with third parties. Under the arrangement the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remain with the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in other long term liabilities and the amount recognisable within one year is disclosed as deferred revenue in other current liabilities.

### (iv) Sale and leaseback transactions

Sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is not immediately recognised as income, instead, the asset leased back is retained at its carrying value and the amount received towards the leased back portion is recorded as a finance lease obligation.

If a sale and leaseback transaction results in an operating lease, and transaction is established at fair value, any profit or loss shall be recognised immediately.

## 4.5. Borrowing Cost

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

## 4.6. Impairment of Assets

The carrying amounts of assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in

use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in the statement of profit and loss as a component of depreciation and amortisation expense.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 4.7. Asset Retirement Obligations (ARO)

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset and depreciated prospectively over the remaining useful life.

## 4.8. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 4.9. Cash and Cash Equivalents

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



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## 4.10. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a First in First out ('FIFO') basis. Inventory costs include purchase price, freight inwards and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

## 4.11. Revenue Recognition and Receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable net off discounts, process waivers, and value added tax ('VAT'), service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

### (i) Service revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and very small aperture terminal ('VSAT') / internet usage charges, bandwidth services, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls and data messaging services

Service revenues are recognised as the services are rendered and are stated net of discounts, process waivers and taxes. Revenues from pre-paid customers are recognised based on actual usage. Processing fees on recharge coupons is recognised over the estimated customer relationship period or coupon validity period, whichever is lower. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortised over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Billings in excess of revenue recognised is treated as unearned and reported as deferred revenue in the balance sheet.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and VSAT services. Registration fee and installation charges are deferred and amortised over the period of agreement with customer. Service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and VSAT services.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognised on provision of services while revenue from provision of bandwidth services (including installation) is recognised over the period of arrangement.

Unbilled revenue represent revenues recognised from last bill cycle date to the end of reporting period. These are billed in subsequent periods based on the terms of the billing plans / contractual arrangements.

### (ii) Equipment sales

Equipment sales consist primarily of revenues from sale of telecommunication equipment and related accessories. Revenue from equipment sales which does not have value to the customer on standalone basis, forming part of multiple-element revenue arrangements are deferred and recognised over the customer relationship period. Revenue from other equipment sales transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer and when no significant uncertainty exists regarding realisation of consideration. Installation charges are recognised as revenue on satisfactory completion of installation.

### (iii) Capacity swaps

The exchange of network capacity is measured at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

### (iv) Multiple element arrangement

The Group has entered into certain multiple element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and VSAT services, set top boxes and subscription fees on DTH, infeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separately identifiable components at the inception of the arrangement. The evaluation is done based on the criteria as to whether the deliverables in the arrangement have value to the customer on a standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

### (v) Investing and other activities

Income on account of interest and other activities are recognised on an accrual basis.

# Notes to consolidated financial statements

## (vi) Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

## (vii) Provision for doubtful debts

The Group provides for amounts outstanding for more than 90 days from the date of billing, in case of active subscribers, roaming receivables, receivables for data services and for entire outstanding from deactivated customers net off security deposits or in specific cases where the management is of the view that the amounts from certain customers are not recoverable.

For receivables due from the other operators on account of their National Long Distance (NLD) and International Long Distance (ILD) traffic for voice and Interconnect Usage charges (IUC), the Group provides for amounts outstanding for more than 120 days from the date of billing, net of any amounts payable to the operators or in specific cases where the management is of the view that the amounts from these operators are not recoverable.

## (viii) Unbilled Revenue

Unbilled revenue represent revenue recognised from last bill cycle date to the end of the reporting period. These are billed in subsequent periods based on the terms on the billing plans / contractual arrangements.

## 4.12. License Fees – Revenue Share

The revenue-share fee on license and spectrum is computed as per the licensing agreement at the prescribed rate and is expensed as incurred.

## 4.13. Foreign currency translation, accounting for forward contracts and derivatives

### Initial Recognition

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

### Conversion

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

### Exchange Differences

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

## Forward Exchange Contracts covered under AS 11, 'The Effects of Changes in Foreign Exchange Rates'

Exchange differences on forward exchange contracts and plain vanilla currency options for establishing the amount of reporting currency and not intended for trading & speculation purposes, are recognised in the statement of profit and loss in the year in which the exchange rate changes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

Exchange difference on forward contracts which are taken to establish the amount other than the reporting currency, arising due to the difference between forward rate available at the reporting date for the remaining maturity period and the contracted forward rate (or the forward rate last used to measure a gain or loss on the contract for an earlier period) are recognised in the statement of profit and loss for the year.

## Other Derivative Instruments, not in the nature of AS 11, 'The Effects of Changes in Foreign Exchange Rates'

The Group enters into various foreign currency option contracts and interest rate swap contracts that are not in the nature of forward contracts designated under AS 11 as such and contracts that are not entered to establish the amount of the reporting currency required or available at the settlement date of a transaction; to hedge its risks with respect to foreign currency fluctuations and interest rate exposure arising out of foreign currency loan. In accordance with the ICAI announcement, at every year end, all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognised by the Group, keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any reduction in fair values and any reversals of such reductions are included in statement of profit and loss for the year.

## Embedded Derivative Instruments

The Group occasionally enters into contracts, that do not in their entirety meet the definition of a derivative instrument, that may contain "embedded" derivative instruments – implicit or explicit terms that affect some or all of the cash flow or the value of other exchanges required by the contract in a manner similar to a derivative instrument. The Group assesses whether the economic characteristics and risks of the embedded derivative are clearly and closely related to the economic characteristics and risks of the remaining component of the host contract and whether a separate, non-embedded instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. When it is determined that

# Notes to consolidated financial statements

(1) the embedded derivative possesses economic characteristics and risks that are not clearly and closely related to the economic characteristics and risks of the host contract and (2) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument, the embedded derivative is separated from the host contract, carried at fair value as a trading or non-hedging derivative instrument. At every year end, all outstanding embedded derivative instruments are fair valued on mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss for the year. Any reduction in mark-to-market valuations and reversals of such reductions are included in statement of profit and loss for the year.

## Translation of Integral and Non-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 Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expense items are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

## 4.14. Employee Benefits

The Group's post employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of other long-term employee benefits.

Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the statement of profit and loss as incurred.

The Group's contributions to defined contribution plans are recognised in statement of profit and loss when the employee renders the related services. The Group has no further obligations under these plans beyond its periodic contributions.

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits.

The employees of the Group are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Group records liability based on actuarial valuation computed under projected unit credit method. The Group presents the liability for compensated absences as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## 4.15. Share Based Compensation

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined on the grant date of the equity settled share based options is expensed over the vesting period, based on the Group's estimate of the options that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimates of the options that will eventually vest. At the end of the each reporting date, until the liability is settled, and at the date of settlement, liability is re-measured at fair value, with any changes in fair value pertaining to the vesting period till the reporting date is recognised immediately in profit and loss.

Fair value is measured using Lattice-based option valuation model, Black-Scholes and Monte Carlo Simulation framework and is recognised as an expense, together with a corresponding increase in equity / liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the

# Notes to consolidated financial statements

cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

## 4.16. Taxes

### (i) Current Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (ii) Deferred tax

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 reporting date. 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 Group has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer reasonably certain or virtual certain, as the case may be, that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

At each reporting date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become

reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### (iii) MAT credit

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that individual entities in the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities in the Group.

## 4.17. Segment Reporting

### (i) Primary Segment

Primary business segments in which group operates are Mobile Services (India, South Asia and Africa), Telemedia Services, Digital TV Services, Airtel Business and Tower Infrastructure Services.

### (ii) Secondary Segment

The Group has operations serving customers in India, Africa and in other countries located outside India. The operations in India and Africa constitute the major part. Therefore classified as reportable segment, the remaining portion being attributable to others.

## 4.18. Earnings per Share

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

## 4.19. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



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A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

#### 4.20. Multiple Element Contracts with Vendors

The Group enters into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is / may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under such contracts are accounted as Tangible assets or as Intangible assets in view of the substance of these contracts and existence of economic ownership in these assets.

#### 4.21. Expenditure Incurred on Corporate Social Responsibility ("CSR")

In accordance with the guidance note issued by ICAI on May 15, 2015, 'Accounting for Expenditure on Corporate Social Responsibility Activities' the amount of expenditure incurred on Corporate Social Responsibility is recognised as an expense in the statement of profit and loss.

#### 4.22. Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

## 5. Information about Business Segments - Primary

### Segment Definitions:

The Group's businesses are organised and managed separately according to the nature of products and services provided and geographies in which services

are provided, with each segment representing a strategic business unit that offers different products and serves different markets. The reporting segments of the Group are as below:

**Mobile Services India:** These services cover voice and data telecom services provided through wireless technology (2G/3G/4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra city fibre networks and Mobile commerce services.

**Mobile Services-South Asia:** These services cover voice and data telecom services provided through wireless technology (2G/3G) in Sri Lanka and Bangladesh.

**Mobile Services Africa:** These services cover provision of voice and data telecom services provided through wireless technology (2G/3G/4G) offered to customers in Africa continent. This also includes corporate headquarter costs of the Group's Africa operations.

**Telemedia Services:** These services cover voice and data communications based on fixed network and broadband technology.

**Digital TV Services:** This includes digital broadcasting services provided under the Direct-to-home platform.

**Airtel Business:** These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

**Tower Infrastructure Services:** These services include setting up, operating and maintaining wireless communication towers in India.

**Others:** These include administrative and support services provided to other segments.

**Unallocated:** Unallocated includes other income, profits / (losses), assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group and other activities not allocated to the primary business segments. These also include current tax (net of provisions of tax), deferred tax assets / liabilities, MAT credit and borrowings not allocated to the primary business segments.



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## Summary of the Segmental Information for the year ended and as of March 31, 2016

Particulars	(₹ Millions)										
	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	542,274	15,866	245,774	44,420	62,625	29,119	69,295	-	-	-	1,009,373
Inter segment revenue	18,605	588	5,558	3,217	15,530	59	53,789	3,038	-	(100,384)	-
<b>Total revenues</b>	<b>560,879</b>	<b>16,454</b>	<b>251,332</b>	<b>47,637</b>	<b>78,155</b>	<b>29,178</b>	<b>123,084</b>	<b>3,038</b>	<b>-</b>	<b>(100,384)</b>	<b>1,009,373</b>
Segment result	127,241	(6,677)	(21,133)	12,464	11,912	1,840	32,981	(27)	(2,588)	(310)	155,703
Finance costs (Income)*											78,262
Exceptional items#											(29,236)
<b>Profit before tax</b>											<b>106,677</b>
Provision for Tax											
- Current Tax (including MAT Credit)											33,267
- Deferred Tax (Credit)/ Charge											19,105
<b>Net Profit / (Loss) after tax</b>											<b>54,305</b>
<b>Other segment items</b>											
Period capital expenditure	(372,418)	(3,465)	(57,729)	(11,862)	(10,550)	(11,067)	(22,102)	-	(932)	11,144	(478,981)
Depreciation and amortisation	(91,543)	(5,876)	(73,900)	(9,313)	(7,478)	(8,137)	(22,693)	-	0	5,266	(213,674)
<b>As of March 31, 2016</b>											
Segment assets	1,576,483	38,787	559,602	208,873	249,317	22,748	264,147	1,037	301,403	(1,122,959)	2,099,438
Segment liabilities**	714,837	31,220	230,427	144,179	159,191	46,975	56,077	1,220	1,347,579	(1,129,708)	1,601,997

\* Segment result excludes finance income of ₹ 8,756 Mn, which is netted off from finance costs for the purpose of segment reporting

# 'Exceptional items' shown separately relates to gain on account of divestment of telecom towers in Africa, regulatory fee provisions, amendment of tenure and in various terms of the related long-term contract, expenses on restructuring activities in a few countries, operating costs on network refarming and up-graduation program and on account of disputed receivables / expired claims

# Notes to consolidated financial statements

## Summary of the Segmental Information for the year ended and as of March 31, 2015

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	500,770	15,379	264,128	40,550	52,722	24,699	62,759	-	-	-	961,007
Inter segment revenue	19,023	380	4,942	3,775	14,701	60	53,924	2,910	-	(99,715)	-
<b>Total revenues</b>	<b>519,793</b>	<b>15,759</b>	<b>269,070</b>	<b>44,325</b>	<b>67,423</b>	<b>24,759</b>	<b>116,683</b>	<b>2,910</b>	<b>-</b>	<b>(99,715)</b>	<b>961,007</b>
Segment result	124,243	(6,652)	(12,265)	8,827	7,632	(4,576)	30,977	30	(6,498)	1,438	146,156
Finance costs (Income)*											32,226
Exceptional items#											8,532
<b>Profit before tax</b>											<b>105,398</b>
Provision for Tax											
- Current Tax (including MAT Credit)											51,698
- Deferred Tax (Credit)/ Charge											3,169
<b>Net Profit / (Loss) after tax</b>											<b>50,531</b>
<b>Other segment items</b>											
Period capital expenditure	(285,644)	(3,353)	(81,486)	(7,786)	(6,409)	(7,912)	(20,830)	-	(950)	7,110	(407,260)
Depreciation and amortisation	(70,752)	(6,207)	(80,239)	(9,222)	(6,645)	(8,338)	(21,847)	(6)	0	4,673	(198,583)
<b>As of March 31, 2015</b>											
Segment assets	1,336,227	40,087	553,868	138,498	198,047	19,102	266,507	797	335,256	(1,064,041)	1,824,348
Segment liabilities**	524,010	28,815	207,330	83,747	119,037	54,646	62,692	1,136	1,352,711	(1,076,452)	1,357,672

\* Segment result excludes finance income of ₹ 12,239 Mn, which is netted off from finance costs for the purpose of segment reporting

# 'Exceptional items' shown separately comprises of one time translation impact of certain foreign currency liabilities in Nigeria, costs relating to post-acquisition integration activities, other costs attributable to restructuring activities, income due to premature termination of an agreement by a telecom operator, income on account of divestment of telecom towers in one of the countries in Africa and charges on account of settlement of various disputes.

\*\* Unallocated liabilities includes Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) ₹ 8,907 Mn and ₹ 45,153 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 442,204 Mn and ₹ 554,776 Mn as of March 31, 2016 and March 31, 2015, respectively.

Notes:

1. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.
2. Segment results represent profit/(loss) before finance costs (net of finance income), exceptional items and tax.
3. Capital expenditure represents gross additions, capital work-in-progress and capital advance given for acquiring tangible and intangible assets during the year.
4. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Group level.

# Notes to consolidated financial statements

## Geographical Segment – Secondary

Information concerning geographical areas by location of the entity is as follows :

(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Revenue from External customers</b>		
India	729,746	666,893
Africa	245,774	264,128
Rest of the World	33,853	29,986
<b>Total</b>	<b>1,009,373</b>	<b>961,007</b>
<b>Total Assets</b>		
India	1,361,789	1,107,305
Africa	558,905	553,385
Rest of the World	178,744	163,658
<b>Total</b>	<b>2,099,438</b>	<b>1,824,348</b>
<b>Capex</b>		
India	417,358	322,226
Africa	57,738	81,226
Rest of the World	3,885	3,808
<b>Total</b>	<b>478,981</b>	<b>407,260</b>

## 6. Share Capital

(₹ Millions)		
Particulars	As of March 31, 2016	As of March 31, 2015
<b>Authorised shares</b>		
5,000,000,000 (March 31, 2015 - 5,000,000,000) equity shares of ₹ 5 each	25,000	25,000
<b>Issued, Subscribed and fully paid-up shares</b>		
3,997,400,102 (March 31, 2015- 3,997,400,102) equity shares of ₹ 5 each	19,987	19,987
	<b>19,987</b>	<b>19,987</b>

Note: 21,474,527 Equity shares of ₹ 10 each were allotted as fully paid-up shares upon the conversion of Foreign Currency Convertible Bonds (FCCBs) during the financial years from 2007-08 to 2009-10 (42,949,054 equity shares post share split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each)

### a. Terms / rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

### b. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

Particulars	As of March 31, 2016		As of March 31, 2015	
	No.	% holding	No.	% holding
Bharti Telecom Limited	1,802,318,492	45.09%	1,747,545,460	43.72%
Pastel Limited	591,319,300	14.79%	591,319,300	14.79%
Indian Continent Investment Limited	265,860,986	6.65%	265,860,986	6.65%
LIC of India Child Fortune Plus Balanced Fund	203,878,856	5.10%	-	-
Three Pillar Pte Limited	199,870,006	5.00%	199,870,006	5.00%

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## 7. Reserves and Surplus

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Capital Reserve</b>	1,513	1,513
<b>Securities Premium Reserve</b>		
Opening balance	107,967	107,936
Additions during the year	274	31
<b>Closing balance</b>	<b>108,241</b>	<b>107,967</b>
<b>Revaluation Reserve</b>	21	21
<b>Employee Stock Options Outstanding</b>		
Opening balance	1,343	3,501
Add : Addition during the year	551	80
Less : Forfeiture/Exercise	1,130	2,238
<b>Closing balance</b>	<b>764</b>	<b>1,343</b>
<b>General Reserve</b>		
Opening balance	82,176	56,114
Scheme of Indus & Arrangement	(1,053)	(1,406)
Dilution of equity in subsidiaries	825	26,059
Forfeiture of employee stock option	-	1,327
Exercise of stock options	298	82
<b>Closing balance</b>	<b>82,246</b>	<b>82,176</b>
<b>Reserve For Business Restructuring</b>		
Opening balance	19,728	20,203
Less : Utilisation	415	475
<b>Closing balance</b>	<b>19,313</b>	<b>19,728</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	(86,554)	(38,368)
Additions during the year	(12,167)	(48,186)
<b>Closing balance</b>	<b>(98,721)</b>	<b>(86,554)</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	251,589	226,007
Add : Profit for the year	44,566	46,208
<b>Amount available for appropriation</b>	<b>296,155</b>	<b>272,215</b>
Appropriations:		
Dividend proposed	(5,436)	(15,390)
Tax on dividend proposed	(1,107)	(5,236)
<b>Net surplus in the statement of profit and loss</b>	<b>289,612</b>	<b>251,589</b>
<b>Total</b>	<b>402,989</b>	<b>377,783</b>

# Notes to consolidated financial statements

## 8. Long Term Borrowings

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
<b>Secured</b>		
From Banks	43,299	79,944
From Others*	8	13,625
<b>Total</b>	<b>43,307</b>	<b>93,569</b>
<b>Unsecured</b>		
Term Loans		
From Banks#	80,681	155,448
From Others	47,974	56,774
<b>Total</b>	<b>128,655</b>	<b>212,222</b>
Deferred payment liabilities towards spectrum	341,424	143,167
Non-convertible notes	387,859	296,297
Finance lease obligations	57,871	758
<b>Total</b>	<b>915,809</b>	<b>652,444</b>
Less: Current maturities (refer note 14)		
From Banks	24,520	124,549
From Others *	6,677	9,646
Deferred payment liabilities towards spectrum	25,428	-
Finance lease obligations	4,746	657
<b>Total</b>	<b>897,745</b>	<b>611,161</b>

\* During the year ended March 31, 2016 the financial institution from which loan amounting to ₹ 11,284 Mn was outstanding has been converted to Bank.  
# Includes re-borrowable term loans of ₹ 2,887 Mn and ₹ Nil as of March 31, 2016 and March 31, 2015, respectively which have daily prepayment flexibility.

a. Refer Note 36 (a) for Deferred payment liabilities towards spectrum.

b. Refer note 46 for security details on the borrowings.

c. Details relating to currency, interest rate and maturity profile of long term borrowings:

### March 2016:

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2016	Maturity Profile			
			Within one year	Between one and two years	Between two and five years	More than five years
INR	9.94%	378,814	33,622	31,139	104,652	209,401
USD	4.91%	402,853	22,431	25,900	77,331	277,191
EURO	3.68%	136,357	943	943	78,247	56,224
Others	3% - 25.70%	41,092	4,375	2,950	33,767	-
<b>Total</b>		<b>959,116</b>	<b>61,371</b>	<b>60,932</b>	<b>293,997</b>	<b>542,816</b>

### March 2015:

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2015	Maturity Profile			
			Within one year	between one and two years	Between two and five years	More than five years
INR	10.07%	193,837	15,131	23,410	40,610	114,686
USD	3.59%	349,110	76,996	19,113	72,310	180,691
EURO	3.58%	135,796	16,982	-	68,791	50,023
Others	3% - 26.90%	67,270	25,743	5,580	35,947	-
<b>Total</b>		<b>746,013</b>	<b>134,852</b>	<b>48,103</b>	<b>217,658</b>	<b>345,400</b>



# Notes to consolidated financial statements

- d. The borrowings of ₹ 959,116 Mn outstanding as of March 31, 2016, comprising various loans, are repayable in total 907 monthly installments, 211 quarterly installments, 888 half yearly installments, 40 yearly installments and 6 bullet payments (borrowings of ₹ 7,46,013 Mn outstanding as of March 31, 2015, comprising various loans, are repayable in total 118 monthly installments, 173 quarterly installments, 1106 half yearly installments and 38 yearly installments and 6 bullets payments).
- e. The Company issued senior unsecured notes (Non-convertible bonds or Notes) during the year ended March 31, 2016 and Bharti Airtel International (Netherlands) BV, a subsidiary of the Company, issued senior unsecured guaranteed notes (Non-convertible bonds or Notes) during the year ended March 31, 2015. The Notes issued by Bharti Airtel International (Netherlands) BV are guaranteed by the Company.

### During the year ended March 31, 2016:

	Issue price	Due in	Listed on stock exchange
4.375% USD 1,000 Mn (₹ 63,973 Mn)	99.304%	2025	Singapore

### During the year ended March 31, 2015:

	Issue price	Due in	Listed on stock exchange
5.35% USD 1,000 Mn (₹ 58,746 Mn)	99.916%	2024	Singapore / Frankfurt
3.375% Euro 750 Mn (₹ 60,395 Mn)	99.248%	2021	Singapore / Frankfurt

- f. Considering the utilisation plan of the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers (Refer Note 16), the Group had reclassified ₹ 80,190 Mn, from "Long-term borrowings" to "Short-term borrowings and current portion of long-term borrowings" during the year ended March 31, 2015.

## 9. Taxes

### i) Deferred tax

The component-wise breakup of deferred tax is given below:

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Deferred tax liabilities (net)</b>		
<b>a) Deferred tax liability due to</b>		
Depreciation and amortisation	63,034	39,987
Revenue / rent equalisation	1,207	1,731
<b>b) Deferred tax asset arising out of</b>		
Provision for doubtful debts / advances	(10,203)	(8,409)
Foreign exchange difference and mark to market losses	(5,143)	(4,693)
Brought forward losses / expenses carried forward	(695)	(400)
Others	(2,172)	(2,618)
	<b>46,028</b>	<b>25,598</b>

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Deferred tax assets (net)</b>		
<b>a) Deferred tax liability due to</b>		
Depreciation and amortisation	(1,815)	(2,380)
Others	(137)	(146)
<b>b) Deferred tax asset arising out of</b>		
Depreciation and amortisation	2,781	1,120
Revenue / rent equalisation	537	496
Provision for doubtful debts / advances	1,871	2,241
Foreign exchange difference and mark to market losses	2,513	2,413
Brought forward losses / expenses carried forward	1,157	638
Others	736	576
	<b>7,643</b>	<b>4,958</b>

# Notes to consolidated financial statements

## ii) Tax expense

- (a) MAT credit includes credit of ₹ 762 Mn (March 31, 2015 – ₹ 364 Mn), current tax includes expense of ₹ 881 Mn (March 31, 2015- expense of ₹ 446 Mn) and deferred tax includes expenses of ₹ 10,507 Mn (March 31, 2015 – expenses of ₹ 3,475 Mn) relating to earlier years.
- (b) During the year ended March 31, 2015, the Group had recognised additional tax charge of ₹ 599 Mn on account of change in tax rates.

## 10. Other Long Term Liabilities

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
Security deposit	8,947	8,434
Deferred revenue	17,735	17,926
Lease rent equalisation	13,039	11,514
Equipment supply payable	264	939
Others *	5,355	5,106
	<b>45,340</b>	<b>43,919</b>

\* Others as of March 31, 2016 includes ₹ 4,104 Mn (March 31, 2015 ₹ 4,104 Mn) payable to Qualcomm Asia Pacific Pte. Limited towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited (formerly know as Wireless Business Services Private Limited).

## 11. Long Term Provisions

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Provision for employee benefits (refer note 38)</b>		
Provision for gratuity	2,108	1,880
Provision for long-term service award	206	194
	<b>2,314</b>	<b>2,074</b>
<b>Other provisions</b>		
Provision for asset retirement obligation	16,284	15,896
	<b>18,598</b>	<b>17,970</b>

The Group uses various premises on lease to install its equipments. A provision is recognised for the costs to be incurred for restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision is given below:

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening balance	15,896	19,438
Addition (net)	388	(3,542)
<b>Closing balance</b>	<b>16,284</b>	<b>15,896</b>

## 12. Short Term Borrowings

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Secured</b>		
<b>Loans repayable on demand</b>		
Cash Credit	513	987
<b>Other loans &amp; advances</b>		
From others	17,165	10,396
<b>Unsecured</b>		
<b>Loans repayable on demand</b>		
Cash Credit	18,938	13,676
<b>Other loans &amp; advances</b>		
From banks	14,882	45,484
From others	5,740	17,595
	<b>57,238</b>	<b>88,138</b>

# Notes to consolidated financial statements

- a. Details relating to interest rate and currency of short term borrowings:

(₹ Millions)

Currency of Borrowings	As of March 31, 2016		As of March 31, 2015	
	Rate of Interest (Weighted average)	Amount outstanding	Rate of Interest (Weighted average)	Amount outstanding
INR	9.03%	3,459	9.75%	10,521
USD	2.39%	23,114	2.19%	55,152
Others	6.10% -15.24%	30,665	6.78% - 27%	22,465
<b>Total</b>		<b>57,238</b>		<b>88,138</b>

- b. The borrowings of ₹ 19,451 Mn as of March 31, 2016, comprising cash credit facilities from banks which are repayable on demand (March 31, 2015 ₹ 14,663 Mn). Borrowing of ₹ 37,787 Mn outstanding as of March 31, 2016 are repayable in total 2 quarterly installments, 3 yearly installments and 306 bullets payments (March 31, 2015 ₹ 73,475 Mn are repayable in total 3 quarterly installments, 1 half yearly installments, 6 yearly installments and 166 bullets payments).
- c. Refer Note 46 for security details of the borrowings.

## 13. Trade Payables

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Total outstanding due of micro enterprises and small enterprises *	34	72
Total outstanding due of creditors other than micro enterprises and small enterprises **	174,683	160,702
	<b>174,717</b>	<b>160,774</b>

\* Refer note 40 for details of dues to Micro and Small Enterprises.

\*\* Amount payable to related parties ₹ 6,935 Mn (March 31, 2015 ₹ 6,522 Mn) - refer note 41.

## 14. Other Current Liabilities

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Equipment supply payables	106,990	105,208
Deferred revenue	51,988	50,608
Payable to others *	94,419	67,408
Current maturities of long-term debt (refer note 8)	31,197	134,195
Current maturities of deferred payment liabilities towards spectrum(refer note 8)	25,428	-
Current maturities of finance lease obligations (refer note 8)	4,746	657
Interest accrued but not due on borrowings	6,654	6,835
Advance received from customers	2,057	1,946
Other taxes payable *	21,618	15,783
Liability held for sale	1,039	5,445
Unpaid dividends	55	35
Other liabilities#	3,575	1,632
	<b>349,766</b>	<b>389,752</b>

\* Payable to others and Other taxes payable include provision of ₹ 71,340 Mn as of March 31, 2016 and ₹ 52,107 Mn as of March 31, 2015 towards sub judice matters.

# Includes liability recognised relating to derivative financial instruments.

# Notes to consolidated financial statements

## 15. Short Term Provisions

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
<b>Provision for employee benefits (refer note 38)</b>		
Provision for Gratuity	576	516
Provision for Leave Encashment	1,235	1,159
<b>Total</b>	<b>1,811</b>	<b>1,675</b>
<b>Others</b>		
Provision for Income Tax [net of advance tax of ₹ 6,779 Mn (March 31, 2015 ₹ 158,414 Mn) and TDS receivable of ₹ Nil provided for (March 31, 2015 ₹ 693 Mn)]	3,654	6,838
Proposed Dividend	5,436	8,874
Tax on Dividend	1,107	2,591
Others	557	382
	<b>10,754</b>	<b>18,685</b>
<b>Total</b>	<b>12,565</b>	<b>20,360</b>

## 16. Tangible Assets

Particulars	Land & Buildings	Plant & Equipment	Operating, Office & Other Equipment#	Total
<b>Cost</b>				
<b>As of April 1, 2014</b>	<b>21,703</b>	<b>1,203,060</b>	<b>68,831</b>	<b>1,293,594</b>
Additions	1,819	156,357	8,885	167,061
Disposals / adjustments	(319)	(20,706)	(2,596)	(23,621)
Currency translation	(1,958)	(79,117)	(10,540)	(91,615)
Reclassification <sup>@</sup>	(12)	(2,600)	1,238	(1,374)
<b>As of March 31, 2015</b>	<b>21,233</b>	<b>1,256,994</b>	<b>65,818</b>	<b>1,344,045</b>
Additions	1,027	203,030	14,759	218,816
Acquisitions <sup>@@</sup>	-	161	1	162
Disposals / adjustments	(793)	(89,893)	(9,293)	(99,979)
Currency translation	8	3,650	36	3,694
Reclassification <sup>@</sup>	(551)	745	500	694
<b>As of March 31, 2016</b>	<b>20,924</b>	<b>1,374,687</b>	<b>71,821</b>	<b>1,467,432</b>
<b>Accumulated depreciation</b>				
<b>As of April 1, 2014</b>	<b>4,259</b>	<b>524,154</b>	<b>50,069</b>	<b>578,482</b>
Charge <sup>^</sup>	1,034	141,082	12,619	154,735
Disposals / adjustments	(56)	(19,090)	(2,391)	(21,537)
Currency translation	(898)	(47,606)	(9,361)	(57,865)
Reclassification <sup>@</sup>	(36)	(1,108)	862	282
<b>As of March 31, 2015</b>	<b>4,303</b>	<b>597,432</b>	<b>51,798</b>	<b>653,533</b>
Charge <sup>^</sup>	1,488	147,614	10,689	159,791
Disposals / adjustments	(240)	(69,830)	(9,157)	(79,227)
Currency translation	(49)	551	(8)	494
Reclassification <sup>@</sup>	(14)	17	666	669
<b>As of March 31, 2016</b>	<b>5,488</b>	<b>675,784</b>	<b>53,988</b>	<b>735,260</b>
<b>Net carrying amount</b>				
<b>As of April 1, 2014</b>	<b>17,444</b>	<b>678,906</b>	<b>18,762</b>	<b>715,112</b>
<b>As of March 31, 2015</b>	<b>16,930</b>	<b>659,562</b>	<b>14,020</b>	<b>690,512</b>
<b>As of March 31, 2016</b>	<b>15,436</b>	<b>698,903</b>	<b>17,833</b>	<b>732,172</b>

# Includes furniture and fixtures, vehicles and other equipment.

<sup>^</sup> Includes exceptional items of ₹ 3,041 Mn (March 31, 2015 ₹ Nil) with respect to Plant and Equipment (refer note 35) and ₹ 2,065 Mn (March 31, 2015 ₹ 2,567 Mn) on account of arrangement schemes of Bharti Infratel Limited.

<sup>@@</sup> Major acquisitions explained in Note 36

<sup>@</sup> Reclassification includes reclass between tangible and intangible assets.

Refer note 11 and 42 for ARO and assets given on operating lease, respectively.

# Notes to consolidated financial statements

Following table summarises the detail of assets taken on finance lease:

(₹ Millions)

Particulars	Period	Plant and Equipment	Other Equipment, Operating and office equipment
Gross Block	As of March 31, 2016	38,188	1,097
	As of March 31, 2015	435	831
Accumulated Depreciation	As of March 31, 2016	17,521	835
	As of March 31, 2015	7	431
Net block	As of March 31, 2016	20,667	262
	As of March 31, 2015	428	400

## Asset held for Sale

The Group decided to sell and lease back a dedicated portion of towers under long term lease contracts, considered as finance lease, in Nigeria, Zambia, Rwanda, Burkina Faso, Ghana, Kenya, Niger, Uganda, Congo Brazzaville and Tanzania. Accordingly, on the basis of approval by the respective Board of Directors, the Group has classified the assets and associated liabilities (collectively referred to as "disposal group") that are part of the sale and will not be leased back as held for sale. The completion of the transactions is subject to certain customary closing conditions and is expected to be completed within a period of one year from the date of classification as held for sale.

"Plant and machinery" includes gross block of asset held for sale ₹ 11,460 Mn and ₹ 63,904 Mn as of March 31, 2016 and March 31, 2015 respectively and the corresponding accumulated depreciation for the respective years ₹ 6,969 Mn and ₹ 40,263 Mn.

"Land and Buildings" includes gross block of asset held for sale ₹ Nil and ₹ 231 Mn as of March 31, 2016 and March 31, 2015 respectively.

During the year ended March 31, 2016 and March 31, 2015, sale and lease back of 8,740 towers in Congo, Ghana, Uganda, Nigeria, Zambia, Kenya and Burkina Faso and 200 towers in Rwanda was completed for a consideration of ₹ 116,229 Mn and ₹ 1,153 Mn, respectively. The portion leased back, classified as finance lease, representing the technical capacities of the dedicated part of the towers on which Company's equipment are located, has been retained at the carrying value of ₹ 15,639 Mn and ₹ 431 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015 and the finance lease obligation has been recorded at ₹ 51,141 Mn and ₹ 609 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, being the fair value of the leased back portion. Accordingly, the gain on the portion sold and not leased back amounting to ₹ 44,088 Mn and ₹ 142 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, has been recognised in the statement of profit and loss and disclosed as an exceptional item.



# Notes to consolidated financial statements

## 17. i) Intangible Assets

Particulars						(₹ Millions)
	Software	Bandwidth	Goodwill	Licenses (including Spectrum)	Other acquired intangibles	Total
<b>Cost</b>						
<b>As of April 1, 2014</b>	<b>15,201</b>	<b>11,964</b>	<b>421,643</b>	<b>209,205</b>	<b>70</b>	<b>658,083</b>
Additions	1,703	3,207	-	137,198	3,217	145,325
Disposals / adjustments *	(22)	-	-	(4,293)	-	(4,315)
Currency translation	(121)	18	(53,531)	(7,386)	(389)	(61,409)
Reclassification@@	(33)	1,382	-	(3)	28	1,374
<b>As of March 31, 2015</b>	<b>16,728</b>	<b>16,571</b>	<b>368,112</b>	<b>334,721</b>	<b>2,926</b>	<b>739,058</b>
Additions	3,439	3,244	-	377,654	70	384,407
Acquisitions@	-	-	330	-	128	458
Disposals / adjustments*	(4,295)	-	-	(15,130)	(143)	(19,568)
Currency translation	103	72	12,880	3,532	(82)	16,505
Reclassification@@	(706)	12	-	-	-	(694)
<b>As of March 31, 2016</b>	<b>15,269</b>	<b>19,899</b>	<b>381,322</b>	<b>700,777</b>	<b>2,899</b>	<b>1,120,166</b>
<b>Accumulated Amortisation</b>						
<b>As of April 1, 2014</b>	<b>11,575</b>	<b>2,790</b>	<b>109,676</b>	<b>41,557</b>	<b>22</b>	<b>165,620</b>
Charge	2,773	908	26,772	15,452	509	46,414
Disposals / adjustments*	-	-	-	(4,140)	7	(4,133)
Currency translation	(97)	87	(16,115)	(4,878)	(396)	(21,399)
Reclassification @@	50	122	-	(5)	115	282
<b>As of March 31, 2015</b>	<b>14,301</b>	<b>3,907</b>	<b>120,333</b>	<b>47,986</b>	<b>257</b>	<b>186,784</b>
Charge	2,841	1,207	25,042	29,023	876	58,989
Disposals / adjustments*	(4,295)	-	-	(15,130)	(119)	(19,544)
Currency translation	103	164	4,582	2,064	(87)	6,826
Reclassification@@	(681)	12	-	-	-	(669)
<b>As of March 31, 2016</b>	<b>12,269</b>	<b>5,290</b>	<b>149,957</b>	<b>63,943</b>	<b>927</b>	<b>232,386</b>
<b>Net Carrying Amount</b>						
<b>As of April 1, 2014</b>	<b>3,626</b>	<b>9,174</b>	<b>311,967</b>	<b>167,648</b>	<b>48</b>	<b>492,463</b>
<b>As of March 31, 2015</b>	<b>2,427</b>	<b>12,664</b>	<b>247,779</b>	<b>286,735</b>	<b>2,669</b>	<b>552,274</b>
<b>As of March 31, 2016</b>	<b>3,000</b>	<b>14,609</b>	<b>231,365</b>	<b>636,834</b>	<b>1,972</b>	<b>887,780</b>

\* Gross block and accumulated amortisation of licenses (incl. spectrum) and Software have been off set upon being fully amortised.

@ Major acquisitions explained in Note 36.

@@ Reclassification includes reclass between intangible and tangible assets.

Borrowing cost capitalised during the year ended March 31, 2016 was ₹ 2,265 Mn (March 31, 2015 ₹ 2,808 Mn).

### (ii) Intangible Assets Under Development

Intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs capitalised), if any, for which services are yet to be rolled out.

# Notes

to consolidated financial statements

## 18. Non-current Investments

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Trade investments (Un-quoted)</b>		
Investment in equity instruments		
IFFCO Kissan Sanchar Limited : 100,000 Equity Shares of ₹ 10 each fully paid up	50	50
Investment in preference share		
Tube INC (Data Mi) : 4,947,871 (March 31,2015- Nil) non cumulative convertible preference shares 4,947,871 @ 0.9208 Euro each	302	-
Investment in Associates		
Indo Teleports Limited (formerly known as Bharti Teleports Limited) Nil (March 31, 2015 - 11,270,000 Equity shares of ₹ 10 each fully paid up)		
Original Cost	-	113
Accumulated loss	-	(113)
Tanzania Telecommunications Company Limited - 102,852,615 Equity shares of Tanzanian shilling 1,000 each fully paid up		
Original Cost	1,972	1,972
Accumulated loss	(1,972)	(1,972)
Seychelles Cable Systems Company Limited 260 Equity shares of Seychelles Rupee 100 each fully paid up		
Original Cost	220	220
Accumulated loss	(220)	(220)
<b>Other investments</b>		
Investment in equity instruments (Un-quoted)		
Greenenergy Wind Corporation Pvt Ltd : 41,535 (March 31, 2015- Nil) ordinary shares ₹ 10 each fully paid up	4	-
Investment in mutual funds (Quoted)	20,753	27,382
Investment in bonds (Quoted)	3,214	-
Investment in Government Securities (Un-quoted)		
National Savings Certificate : 18 units	2	2
	<b>24,325</b>	<b>27,434</b>
<i>Aggregate value of Unquoted Investments - Cost</i>	357	52
<i>Aggregate value of Quoted Investments - Cost</i>	23,967	27,382
<i>Aggregate Market value of Quoted Investments</i>	28,094	31,260
<i>Aggregate provision for diminution in value of investments</i>	-	-

# Notes to consolidated financial statements

## Details of Investments in mutual funds are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	No. of Units	Amount	No. of Units	Amount
Birla Sun Life Income Plus - Growth Regular Plan	81,531,569	4,488	81,531,569	4,488
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	-	-	86,393,736	1,730
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	1,082,504	1,499	1,745,815	2,500
HDFC Income Fund Growth	104,051,219	2,897	104,051,219	2,897
Franklin India Income Opportunities Fund	50,660,486	800	-	-
ICICI Prudential Income -Regular Plan - Growth	45,694,326	1,753	45,694,326	1,753
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	250	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	85,232,890	2,497	85,232,890	2,497
JPMorgan India Active Bond Fund Retail Plan Growth Option	-	-	47,044,600	623
Kotak Bond Scheme Plan A-Growth - Regular Plan	36,212,982	1,278	36,212,982	1,278
Reliance Income Fund Growth Plan - Growth Option	65,982,324	2,648	65,982,324	2,648
Templeton India Income Builder Account Plan A - Growth	-	-	48,224,495	1,999
UTI Bond Fund - Growth	41,865,468	1,536	74,936,438	2,749
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	25,000,000	250
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option	-	-	66,227,040	1,170
Franklin India Income Builder Account - Plan A	26,698,497	1,107	50,660,486	800
	<b>564,012,265</b>	<b>20,753</b>	<b>818,937,920</b>	<b>27,382</b>

Details of investments in bonds are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016	
	No. of Units	Amount
Power Finance Corporation Ltd 4.5 Year bond @ 8.38% - 2020	350	351
Rural Electrification Corporation Ltd 6.5 Year bond @ 8.27	150	151
HDFC Bond (Taxable)	70	699
NHAI Tax Free Bond	500	500
NTPC 10 Year bond @ 7.15% - 2025	300	300
HUDCO 15 Year bond @ 8.20% - 2027	200,000	213
IRFC Tax Free Bond	1,000	1,000
	<b>202,370</b>	<b>3,214</b>

# Notes to consolidated financial statements

## 19. Long-term Loans and Advances

		(₹ Millions)	
Particulars	As of March 31, 2016	As of March 31, 2015	
<b>Unsecured</b>			
<b>Capital Advances</b>			
Considered good*	40,908	48,833	
Considered doubtful	553	491	
Less: Provision for doubtful advances	(553) 40,908	(491) 48,833	
<b>Security Deposit</b>			
Considered good**	12,548	11,310	
Considered doubtful	1,123	620	
Less: Provision for doubtful deposit	(1,123) 12,548	(620) 11,310	
Loans and advances to related parties (refer note 40)	-	466	
MAT credit entitlement#	56,289	38,653	
	<b>109,745</b>	<b>99,262</b>	

\* Includes advance payments of ₹ 39,089 (March 31, 2015 – ₹ 47,251 Mn) towards spectrum.

\*\* Includes security deposit / advance with / to related parties ₹ 3,218 Mn (March 31, 2015: ₹ 3,110 Mn) - refer note 41.

# MAT credit utilisation of ₹ Nil (March 31, 2015 reversal of MAT credit utilisation of ₹ 222 Mn) adjusted with provision for tax.

## 20. Other Non-current Assets

		(₹ Millions)	
Particulars	As of March 31, 2016	As of March 31, 2015	
Deposits (refer note 24)	15,643	11,358	
Advances *	29,365	27,001	
Revenue equalisation	10,252	10,986	
Unamortised upfront fees and Deferred Premium	3,865	4,287	
Receivable in respect of tower sale	10,658	-	
Others	1,678	2,985	
	<b>71,461</b>	<b>56,616</b>	

\* Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 42,097 Mn (March 31, 2015 ₹ 34,424 Mn).

## 21. Current Investments

		(₹ Millions)	
Particulars	As of March 31, 2016	As of March 31, 2015	
<b>Current investments (at lower of cost and fair market value)</b>			
Investment in Mutual Funds (Quoted)	10,863	80,069	
Investment in Mutual Funds (Un-quoted)	1,134	-	
Investment in Deposits and Bonds (Un-quoted)	2,854	17	
	<b>14,851</b>	<b>80,086</b>	
Aggregate value of Unquoted Investments	3,988	17	
Aggregate value of Quoted Investments	10,863	80,069	
Aggregate Market Value of Quoted Investments	16,149	83,996	

# Notes to consolidated financial statements

## Details of investments are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	(No. of Units)	Amount	(No. of Units)	Amount
<b>Investment in Mutual Funds (Quoted)</b>				
Axis Liquid Fund - Growth	-	-	650,426	1,000
L&T Liquid Fund - Growth	-	-	1,104,487	2,105
HDFC Liquid Fund - Premium Plan - Growth	-	-	31,886,747	872
HDFC Cash management Fund saving Plan Growth	-	-	82,662,081	2,400
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	-	-	14,605,888	3,000
IDFC Cash Fund - Growth-(Regular Plan)	-	-	2,647,900	4,453
JM High Liquidity Fund - Growth Option	-	-	117,989,703	4,466
JP Morgan India Liquid Fund Super Institutional Growth	-	-	69,186,380	1,250
Kotak Floater Short Term - Growth	-	-	1,812,276	4,120
Kotak Liquid Scheme Plan A - Growth	-	-	343,026	966
Pramerica Liquid Fund - Growth	-	-	412,450	609
Reliance Liquidity Fund-Growth Option	-	-	242,935	508
Reliance Liquid Cash Plan Growth Option Fund	-	-	293,865	1,000
Religare Liquid Fund - Super Institutional Growth	-	-	943,091	1,800
Tata Liquid Fund Plan A - Growth	-	-	1,016,663	2,600
Tata Money Market Fund Plan A - Growth	-	-	1,742,473	3,801
SBI Premier Liquid Fund - Direct Plan - Growth	-	-	454,995	1,000
SBI Megnum Insta Cash Fund	-	-	573,778	1,770
Principal Cash Management - Regular Plan - Growth	-	-	1,717,915	2,311
Sundram Money Fund	-	-	56,132,271	1,650
Taurus Mutual Fund	-	-	1,903,627	2,835
Franklin India Treasury Management Account	-	-	400,595	828
LIC NOMURA MF Liquid Fund - Growth Plan	-	-	733,879	1,850
JM Liquid Fund	-	-	210,444	8
Kotak Floater ST Plan	-	-	56,057	128
TATA Money Market Fund Plan A	-	-	52,954	116
TATA Liquid Fund Plan A	-	-	27,675	71
Religare Invesco Liquid Fund- Growth Plan	-	-	27,668	50
JM High Liquidity Fund- Growth option	-	-	3,030,950	108
ICICI Prudential Savings Fund- Regular Plan -Growth	-	-	1,031,452	210
ICICI Prudential Liquid - Regular Plan - Growth	-	-	26,874	5
DWS Ultra Short Term Fund- Growth	-	-	30,821,770	500
Birla Sun Life Cash Manager - Growth - Regular Plan	-	-	607,642	200
Birla Sun Life Floating Rate Fund Short Term Plan-Growth - Regular Plan	-	-	216,825	40

# Notes

to consolidated financial statements

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	(No. of Units)	Amount	(No. of Units)	Amount
Birla Sun Life Income Plus- Growth Regular Plan	23,775,009	1,260	58,818,759	3,117
HDFC Income Fund Growth	46,967,635	1,265	68,876,846	1,856
HDFC Short Term Plan-Dividend	-	-	18,306,435	500
Birla Sun Life Treasury Optimizer Plan - Growth Regular Plan	-	-	2,909,807	500
HDFC HIF STP - Growth	-	-	43,115,259	1,070
UTI Short Term Income Fund Institutional Option - Growth	-	-	30,042,480	500
ICICI Prudential Short Term - Regular Plan - Growth	96,811,536	3,587	17,618,475	500
Religare Invesco Short Term Fund - Growth	-	-	631,432	1,070
Religare Invesco Ultra Short Term Fund - Growth	-	-	263,235	500
SBI Magnum Income Fund - Regular Plan - Growth	-	-	32,485,568	1,000
Sundaram Ultra Short Term Fund Regular Growth	-	-	10,541,073	200
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	2,068,170	400
ICICI Prudential Liquid - Direct Plan - Growth	-	-	5,315,317	1,100
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	29,627,698	500
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	52,199,311	865
IDFC Super Saver Income Fund-Investment Plan-Growth - Regular Plan	34,149,368	1,002	34,149,368	1,001
Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	387,765	1,100
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	181,226	400
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Plan - Growth Option	-	-	308,049	1,050
Reliance Money Manager Fund - Growth Plan Growth Option	-	-	265,208	500
ICICI Prudential Flexible Income - Regular Plan - Growth	-	-	1,534,000	400
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Direct Plan.	-	-	5,909,931	1,100
AXIS Banking Debt Fund - Growth (BD-GP)	-	-	197,482	250
Kotak Bond Scheme Plan A-Growth - Regular Plan	82,688,429	2,799	118,736,484	4,019
SBI Dynamic Bond Fund- Regular Growth	-	-	137,780,607	2,021
Franklin India Income Opportunities Fund	-	-	50,465,370	666
ICICI Prudential Income Regular Plan-Growth	-	-	115,575,705	4,282
ICICI Prudential Short Term - Regular Plan - Growth	-	-	30,176,155	849
JM High Liquidity Fund - Growth Option	-	-	1,582,314	59
Principal Cash Management Fund - Regular Plan Growth	-	-	47,708	64
ICICI Prudential Money Market Fund - Growth	4,546,492	950	-	-
<b>Total</b>	<b>288,938,469</b>	<b>10,863</b>	<b>1,295,684,999</b>	<b>80,069</b>



# Notes to consolidated financial statements

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016	
	No. of Units	Amount
<b>Investments in Mutual Funds (Unquoted)</b>		
Birla Sun life Cash Plus – Growth – Direct Plan	863,916	210
ICICI Prudential Liquid - Direct Plan – Growth mutual fund	187,423	42
Reliance Liquid Fund-Treasury Plan – Direct Plan - Growth Plan-Growth Option-LFAG	73,952	273
Kotak Liquid Scheme Plan A – Direct Plan - Growth	82,064	252
SBI Premier Liquid Fund – Direct Plan - Growth	35,326	84
HDFC – Cash Management Fund – Saving Plan – Growth	91,376	273
<b>Total</b>	<b>1,334,057</b>	<b>1,134</b>

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	No. of Units	Amount	No. of Units	Amount
<b>Investment in Deposits and Bonds (Unquoted)</b>				
HDFC Bank Limited	18,500	1,847	-	-
AXIS Bank Limited	10,000	999	-	-
India Innovation Fund	76	8	70	7
7.30% REC Secured Bonds 2015	-	-	10	10
<b>Total</b>	<b>28,576</b>	<b>2,854</b>	<b>80</b>	<b>17</b>

## 22. Inventories (valued at lower of cost and net realisable value)

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Stock-In-Trade*	1,691	1,339
<b>Total</b>	<b>1,691</b>	<b>1,339</b>

\* Net of provision for diminution in value ₹ 2,712 Mn (March 31, 2015 ₹ 2,415 Mn)

## 23. Trade Receivables

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
<b>Unsecured, unless stated otherwise</b>				
<b>Receivables outstanding for a period exceeding six months</b>				
Considered good	5,843		6,127	
Considered doubtful	26,613		17,173	
Less: Provision for doubtful receivables	(26,613)	5,843	(17,173)	6,127
<b>Others</b>				
Considered good	52,838		45,945	
Considered doubtful	8,719		13,009	
Less: Provision for doubtful receivables	(8,719)	52,838	(13,009)	45,945
	<b>58,681</b>		<b>52,072</b>	

Trade receivable Include amount receivable from related party ₹ 623 Mn (March 31, 2015 ₹ 855 Mn) - refer note 41.

# Notes to consolidated financial statements

## 24. Cash and Bank Balances

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
<b>Cash and cash equivalents</b>		
Balances with banks		
- On current accounts	14,999	7,734
- Deposits with original maturity of three months or less	20,792	2,850
- On unpaid dividend account	55	35
Cheques on hand	184	425
Cash on hand	808	931
	<b>36,838</b>	<b>11,975</b>
<b>Other bank balances</b>		
Bank deposits with remaining maturity of less than twelve months	14,550	8,856
Bank deposits with more than twelve months	7	6
Margin money deposit	15,636	11,352
	<b>30,193</b>	<b>20,214</b>
Less: Amount disclosed under non-current assets (refer note 20)	15,643	11,358
	<b>51,388</b>	<b>20,831</b>

## 25. Short-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
<b>Unsecured, considered good unless stated otherwise</b>		
Advances recoverable in cash or kind		
Considered good	39,418	24,416
Considered doubtful	2,785	3,658
Less: Provision for doubtful advances	(2,785)	(3,658)
	39,418	24,416
Balances with customs, excise and other authorities	16,517	13,409
Loans and advances to related parties - refer note 41	1,117	722
Advance Tax [net of provision for tax of ₹ 213,139 Mn (March 31, 2015, ₹ 25,454 Mn) and tds receivable of ₹ 1,050 Mn Provided for (March 31, 2015, ₹ 46 Mn)]	8,433	5,988
	<b>65,485</b>	<b>44,535</b>

## 26. Other Current Assets

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
<b>Unsecured, considered good, unless stated otherwise</b>		
Unbilled revenue	8,828	12,583
Unamortised upfront fees and deferred premium	4,999	831
Revenue equalisation	1,780	1,099
Others	362	5,768
	<b>15,969</b>	<b>20,281</b>

# Notes to consolidated financial statements

## 27. Commitments and Contingent Liabilities

### (i) Commitments

#### a. Capital commitments

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
Contracts placed for future capital expenditure not provided for in the financial statements (refer note 36 (a))	74,061	343,859

The above includes ₹ 2,671 Mn as of March 31, 2016 (₹ 38,083 Mn as of March 31, 2015), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts (upto five years from the reporting date), since it is not possible for the Group to determine allocation between assets and services to be provided over the unexpired period of the contract. However, the actual charges / payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

In addition to the above, the Group's share of joint ventures and associates capital commitments is ₹ 1,624 Mn and ₹ 1,214 Mn as of March 31, 2016 and March 31, 2015, respectively.

#### b. Guarantees

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
Financial bank guarantees*	106,255	109,395
Guarantees to third parties	-	3,130

\* The Company has issued corporate guarantees of ₹ 4,152 Mn and ₹ 3,365 Mn as of March 31, 2016 and March 31, 2015 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies at no cost to the latter.

Also, it includes certain financial bank guarantees which have been given for sub-judice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and financial liabilities, as applicable, in compliance with the applicable accounting standards.

### (ii) Contingencies

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales tax and Service Tax	40,214	38,225
-Income Tax	19,746	20,130
-Customs Duty	6,601	6,136
-Entry Tax	8,201	6,957
-Stamp Duty	596	603
-Municipal Taxes	1,114	863
-DoT demands *	5,273	5,020
-Other miscellaneous demands	7,105	2,133
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	8,761	7,443
-Others	4,370	5,703
<b>Total</b>	<b>101,981</b>	<b>93,213</b>

\* in addition, refer Note f(v), f(vi), f(vii) and f(viii) below for other DoT matters.

# Notes to consolidated financial statements

In addition to the above, the Group's share of joint ventures contingent liabilities is ₹12,032 Mn and ₹ 9,083 Mn as of March 31, 2016 and March 31, 2015, respectively.

The contingent liabilities mentioned in the table above represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities.

Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for the cases discussed below and therefore, no provision has been recognised.

## a) Sales tax and Service Tax

The claims for sales tax as of March 31, 2016 and as of March 31, 2015 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities.

The service tax demands as of March 31, 2016 and March 31, 2015 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

## b) Income Tax demand

Income tax demands under appeal mainly included the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed, non-deduction of tax at source with respect to dealers / distributor's margin and non-deduction of tax on payments to international operators for access charges, etc.

## c) Access charges (Interconnect Usage Charges) / Port charges

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which passed a status quo

order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised Regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

## d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

# Notes to consolidated financial statements

## e) Entry Tax

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have also been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

## f) Department of Telecommunications (“DoT”) Demands

- i. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.
- ii. DoT demands include alleged short payment of license fee for FY06-07 and FY07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Group and DoT and interest thereon, which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015 thereby setting aside the impugned demands raised by DoT and directed to rework the license fees payable in light of the judgement and to issue fresh demands. Pursuant thereto Union of India (UOI) and the Group (on limited heads of revenue) along with various other operators have filed appeals/cross appeals before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India issued notice in the appeals and has declined to grant any interim relief to UOI. The appeals tagged together came up for hearing on February 29, 2016 and the Supreme Court allowed DoT to raise demands as per its understanding with the condition that the demands raised will not be enforced till the final decision of the Supreme Court. The matter is likely to be listed for hearing after 8 weeks. In the meanwhile, DoT further had issued LF demand cum show cause notice for FY 2009-10 dated June 26, 2015 which has been challenged before TDSAT. TDSAT vide an interim order dated August 17, 2015 had directed DoT not to invoke any bank guarantees for realisation of impugned demand amounting to ₹ 12,316 Mn and vide its order dated November 6, 2015, TDSAT has disposed of the matter after recording the statement made by UOI that the demand notice should be construed as an advance notice, which the DoT does not intend to enforce until the appeals against Tribunal's AGR judgement pending before the Hon'ble Supreme Court is finally disposed of.
- iii. DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in mobility circles.

- iv. DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

The matters stated above are being contested by the Company and based on legal advice, the Company believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

In addition to the amounts disclosed in the table above, the contingent liability on DoT matters includes the following:

- v. Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Hon'ble Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities. Further as stated in point (iii) above, TDSAT has pronounced its judgement on April 23, 2015, wherein it has stated that any gain or loss due to foreign exchange fluctuation does not have any bearing on the license fees and directing DoT to rework and issue fresh demands to the operators. The next date of hearing is fixed for June 28, 2016 at Kerala High Court.
- vi. On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding GSM Spectrum beyond 6.2 Mhz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,923 Mn for GSM spectrum held beyond 4.4 Mhz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, vide its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and the next date of hearing is awaited.



# Notes to consolidated financial statements

- vii. The Department of Telecommunications (DoT) had issued notices to the Company as well as various other Telecom Service Providers to stop provision of services under 3G Intra Circle Roaming (ICR) arrangements in the service areas where such service providers had not been allocated 3G Spectrum. DoT also levied a financial penalty of ₹ 3,500 Mn. The Company contested the notices and upon various rounds of litigations, ultimately, the TDSAT, vide its judgement dated April 29, 2014, held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT in an appeal filed before the Hon'ble Supreme Court, which has been admitted. However, Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal. The case is yet to be listed for hearing in the Hon'ble Supreme Court.
- viii. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

## g) Airtel Networks Limited – Ownership

Airtel Networks Limited (“Airtel Networks”) (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and is a subsidiary of Bharti Airtel Nigeria BV (BANBV) (formerly, Celtel Nigeria BV), which in turn, is an indirect subsidiary of Bharti Airtel International (Netherlands) BV, a subsidiary of Bharti Airtel Limited.

Airtel Networks and / or BANBV are defendants in cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire 65% controlling stake in Airtel Networks Limited in 2006, the erstwhile selling shareholders were obliged under the pre-emption right provision contained in the shareholders’ agreement dated April 30, 2002 (the “Shareholders Agreement”) to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL’s status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders’ agreement

and the shares were acquired by Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. EWL has inter alia commenced arbitral proceedings in Nigeria contesting the acquisition. BANBV, which is the current owner of approximately 79.059% (increased from 65.7% to 79.059% in March, 2013) of the equity in Airtel Networks Limited has been defending these cases and the arbitration since it was commenced.

On December 22, 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL’s claim for reversal of the 2006 transaction. Instead, the Tribunal ordered a damages hearing.

On February 3, 2012, BANBV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, BANBV filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award. The application to set aside the Partial Final Award was heard by the Lagos State High Court on June 4, 2012 and by a Judgement delivered on October 4, 2012, the Lagos State High Court dismissed BANBV’s application to set aside the Partial Final Award against which, BANBV lodged an appeal at the Court of Appeal in Lagos, Nigeria. The appeal was dismissed by the Court of Appeal on February 14, 2014. BANBV not satisfied with the judgement of the Court of Appeal, Lagos, on March 27, 2014 has filed its appeal with the Supreme Court of Nigeria.

Without prejudice to the application by BANBV before the Nigerian courts to set aside the Partial Final Award, the Tribunal has taken steps in relation to the damages hearing in the Arbitration. The damages claim was heard by the Tribunal during October 2013 and the parties submitted their closing arguments on December 20, 2013.

The Tribunal issued its Final Award on damages dated June 30, 2014 on July 4, 2014. The Tribunal found that EWL has suffered losses as a result of breaches of the Shareholders’ Agreement and calculated the losses against BANBV to be an amount of USD 132.8 Mn and costs of USD 10.9 Mn, totaling USD 143.7 Mn.

The Company has filed an application for setting aside of the Final Award before the High Court in Nigeria. On the other hand, EWL has filed applications before the High Court in Nigeria to seek to enforce both the Final Award and the Partial Final Award. The Company is contesting these enforcement applications. These matters are currently adjourned to May 12, 2016.



# Notes to consolidated financial statements

In addition, EWL has filed conservatory attachment proceedings and proceedings for enforcement of the Final Award, inter alia, against BANBV in the Netherlands. On January 22, 2015 the Amsterdam District Court granted a stay in the proceedings related to the enforcement of the final award and denied EWL's request that BANBV provide security as a condition of the stay. EWL has appealed the latter decision and the Amsterdam Court of Appeal's decision is awaited. Meanwhile the Amsterdam District Court held that the proceedings before it stand suspended pending the outcome of EWL's appeal before the Amsterdam Court of Appeal.

In the Haarlem District Court, where EWL is pursuing its claim for compensation against ( BANBV's parent-Bharti Airtel Nigeria Holdings II BV) and Grandparent Bharti Airtel Africa BV together, the Bharti Defendants) claiming that these entities acted unlawfully and induced breach of contract by the "Selling Shareholders" of the VNL shares with the intent of impeding EWL in the exercise of its rights in order to finalise its own share sale transaction with the Selling Shareholders, the pleadings are complete.

Based on Company's assessment and indemnities under the Share Sale Agreement with Zain Group, this Award is not likely to have any material adverse effect on the Company's consolidated financial position as of March 31, 2016.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The Court at first instance on January 24, 2012 held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the present ownership of BANBV on a fully diluted basis in Airtel Networks Limited, the company believed that there were good grounds to appeal the first instance judgement and accordingly, filed a Notice of Appeal and made applications before the Federal High Court for a stay of execution of judgement pending appeal and a motion for injunction. These applications were heard on March 13, 2012 and on May 7, 2012, the High Court held that the company had failed to make out a case for the Court to exercise its discretion in its favour of granting the application and accordingly refused it.

Immediately, a similar application for injunction and stay of execution were filed at the Court of Appeal, Kaduna on May 7, 2012. After several adjournments, the substantive appeal was heard on October 3, 2013 and on November 1, 2013 the Court of Appeal dismissed the appeal.

On June 20, 2014, the Company filed its appeal to the Supreme Court of Nigeria together with an application for injunction and stay of execution of the judgement of the Court of Appeal. The Appeal and the Applications are pending before the Supreme Court. The date for the hearing has not yet been fixed.

# Notes to consolidated financial statements

## 28. Revenue from Operations

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Service Revenue</b>		
- Voice and data revenue	721,251	723,699
- Revenue from tower infrastructure services	69,052	62,667
- Others *	213,300	170,390
<b>Sale of products</b>	5,770	4,251
	<b>1,009,373</b>	<b>961,007</b>

\* Others mainly include revenue from VAS services, fixed monthly subscription, bandwidth services and VSAT etc.

## 29. Other Income

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on bank deposits	5,401	1,428
Interest income on loan given to related parties	24	47
Dividend income	-	479
Net gain on sale of investments	3,331	7,329
Net gain on derivatives	-	2,956
Net foreign exchange gain	-	5,458
Profit on sale of fixed assets	671	964
Other non-operating income		
- Lease rentals	28	109
- Liabilities/Provision written back	831	1,406
- Miscellaneous income	812	782
	<b>11,098</b>	<b>20,958</b>

## 30. Cost of Goods Sold

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Increase in inventories	(4,996)	(4,948)
Purchase of Stock-in-Trade	11,287	7,744
	<b>6,291</b>	<b>2,796</b>

## 31. Employee Benefit Expenses

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	43,854	42,522
Contribution to provident and other funds (refer note 38)	2,231	1,805
Expenses on employee stock option plan (refer note 43)	1,028	773
Staff welfare expenses	2,623	2,150
Others	1,267	1,320
	<b>51,003</b>	<b>48,570</b>

# Notes to consolidated financial statements

## 32. Power and Fuel, Rent, Charity and Donation and Other Expenses

	(₹ Millions)	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Power and fuel</b>		
Network	81,906	83,808
Others	568	590
	<b>82,474</b>	<b>84,398</b>
<b>Rent</b>		
Network	62,214	52,416
Others	3,685	2,993
	<b>65,899</b>	<b>55,409</b>
<b>Charity and donation</b>		
Political Contribution <sup>\$</sup>	-	310
Corporate Social Responsibility <sup>#</sup>	996	766
Others	394	346
	<b>1,390</b>	<b>1,422</b>
<b>Other expenses</b>		
Interconnect and Port charges	135	133
Insurance		
Network	467	424
Others	12	6
Installation	234	486
Repairs and Maintenance		
Plant and Machinery	54,455	53,712
Building	590	717
Others - Network	4,708	5,260
Others - Administrative	2,977	2,808
Leased line and gateway charges	1,383	1,491
Internet access and bandwidth charges	5,750	5,797
Advertisement and marketing	20,726	20,888
Sales commission, customer verification and content cost	43,234	41,021
Other selling and distribution expenses	16,927	16,172
Sim card utilisation	4,367	4,004
Legal and professional fees	5,666	6,100
Rates and taxes	2,145	5,243
IT and call center outsourcing	19,655	21,775
Travelling and conveyance	3,824	4,051
Bad debts written off	6,867	4,247
Provision for doubtful debts and advances (refer note 45)	2,506	5,154
Provision for diminution in stock / capital work in progress	1,849	966
Collection and recovery expenses	3,864	3,482
Printing and stationery	817	902
Miscellaneous expenses		
Network	12,359	11,354
Sales and Marketing*	10,031	8,787
Administrative	4,358	5,593
	<b>229,906</b>	<b>230,573</b>

<sup>\$</sup> Paid to Satya Electoral Trust for political purpose.

<sup>#</sup> As per the requirements of section 135 of the Companies Act, 2013, the Group was required to spend an amount of ₹ 2,557 Mn (March 31, 2015 ₹ 1,886 Mn) on Corporate Social Responsibility expenditure for the year ended March 31, 2016. During the year ended March 31, 2016, the Company has spent in cash an amount of ₹ 1,001 Mn (March 31, 2015 ₹ 766 Mn) towards education and sanitation.

\* Includes goodwill waivers which are other than trade discount of ₹ 644 Mn (March 31, 2015 ₹ 1,003 Mn).

# Notes to consolidated financial statements

## 33. Finance Costs

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	57,496	40,280
Other finance cost	4,148	4,185
Net loss on derivatives	504	-
Net foreign exchange loss	24,870	-
	<b>87,018</b>	<b>44,465</b>

## 34. Depreciation and Amortisation Expense

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation (refer note 16)	154,685	152,169
Amortisation (refer note 17)	58,989	46,414
	<b>213,674</b>	<b>198,583</b>

## 35. Exceptional Items

Exceptional items comprise of the following :

### (i) For the year ended March 31, 2016 :

- Net gain of ₹ 44,088 Mn pertaining to the divestment of telecom tower assets in Burkina Faso, Kenya, Zambia, Uganda, Ghana, Congo Brazzaville and Nigeria.
- Charge for regulatory fee provisions of ₹ 2,711 Mn arising out of re-assessment of certain positions.
- Charge of ₹ 1,124 Mn arising from amendment of tenure and in various terms of the related long-term contract.
- Charge for provision against certain disputed receivables / expired claims amounting to ₹ 2,829 Mn.
- Charge of ₹ 3,898 Mn towards restructuring activities in a few countries.
- Charge of ₹ 4,290 Mn towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.

### (ii) For the year ended March 31, 2015 :

- Charge of ₹ 2,082 Mn on account of one time translation impact of certain foreign currency liabilities in Nigeria from the Central bank administered rates to the open market exchange rates, consequent to a notification dated November 6, 2014.
- Charge of ₹ 2,598 Mn on account of settlement of various disputes.
- Charge of ₹ 4,397 Mn related to restructuring activities in a few countries.
- Gain of ₹ 403 Mn on account of premature termination of an agreement by a telecom operator.

- Gain of ₹ 142 Mn on account of gain recognised on divestment of telecom towers in one of the countries in Africa.

Tax expense includes:

- Charge of ₹ 2,468 Mn and benefit of ₹ 97 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on the above exceptional items, and
- Charge of Nil and ₹ 1,218 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on account of settlement of various disputes / uncertain tax positions.

Profit / (loss) attributable to minority interest includes expense of ₹ 4,760 Mn and benefit of ₹ 658 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, relating to the above exceptional items

## 36. New Developments / Major transactions

- During the year ended March 31, 2015 and 2014, the Group had won the auction for spectrum aggregating to 226.60 Mhz. The Group has opted for deferred payment in certain circles for a specified portion of the auction price, whereby it is payable in 10 equal installments (including the related interest) after an initial moratorium period of two years. As of March 31, 2016, the Government of India has allotted 218.2 MHz spectrum to the Group (March 31, 2015: 115.0 MHz), accordingly, the Group has recognised deferred payment liability (including accrued interest thereto) towards the same for of ₹ 341,424 Mn (March 31, 2015: ₹ 143,167). Further, pending the allocation of balance spectrum by GOI, an amount of ₹ 10,970 Mn (March 31, 2015: 244,040 Mn) has been disclosed under capital commitment in the notes to the consolidated financial statements.

# Notes to consolidated financial statements

- b. The Scheme of Arrangements ('Scheme') under sections 391 to 394 of the Companies Act, 1956 with respect to amalgamation of Airtel Broadband Services Private Limited ('ABSPL'), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Court of Bombay on April 11, 2014, has been filed by the Company with the Registrar of Companies ('ROC') on April 9, 2015, being the effective and appointed date of the scheme whereby ABSPL shall cease to exist. The Company has accounted amalgamation in the nature of merger under the pooling of interest method. Accordingly, the assets, liabilities and reserves in the books of ABSPL have been recognised by the Company as at the date of the amalgamation at the same carrying values. The difference of ₹ 8,599 Mn between the share capital of ABSPL and the carrying value of investment in the equity shares of ABSPL in the books of the Company has been adjusted with the reserves of the Company. The carrying values of assets, liabilities and reserves in the books of ABSPL acquired pursuant to the scheme is as follows:

(₹ Millions)	
Particulars	As of April 09, 2015
<b>Assets</b>	
Non-current assets	64,246
Current assets	591
<b>Total</b>	<b>64,837</b>
<b>Equity And Liabilities</b>	
<b>Equity</b>	
Share Capital	56,671
Reserve and surplus	(724)
	<b>55,947</b>
<b>Liabilities</b>	
Non-current liabilities	5,396
Current liabilities	3,494
	<b>8,890</b>
<b>Total</b>	<b>64,837</b>

However, DoT vide its letter dated February 2, 2015, has given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361 Mn, equal to the difference between the entry fee for Unified Access Service License and entry fees paid for Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order dated February 9, 2015 has allowed the Company to operationalise the spectrum subject to filing an undertaking that in case the petition fails, it shall pay the sum of ₹ 4,361 Mn along with interest as may be determined by the Tribunal within eight weeks from the date of judgement. The Company has filed an undertaking before TDSAT for the same.

On February 24, 2012, the TDSAT ordered the Company to pay certain dues (including interest and penalties) allegedly owed by one of then existing Company's Indian non-controlling shareholders, Tulip Telecom

Limited (Tulip), to the DoT without prejudice to the right of Tulip to contest the claim and provided that any sum ultimately found not to be due (or paid by Tulip) would be refunded by the Department of Telecommunication (DoT), without interest, within four weeks of the date of completion of the assessment of Tulip in respect of assessment years in question. Accordingly, as per the terms and conditions of the TDSAT order dated February 24, 2012, the Company had deposited ₹ 4,104 Mn.

Further as per the agreement dated February 13, 2012 entered between the Companies, Qualcomm Asia Pacific Pte. Limited and Tulip, upon the final determination date being reached, that Tulip is liable to pay the Company an amount equal to the relevant amount determined to be owed by Tulip that is not paid by Tulip and retained by the DoT from the Company's deposit as described in above paragraph (the "Indemnity Amount") in the bank account specified by the Company within 15 days from the final determination date or the date of the payment notice when final determination date has already occurred prior to the payment notice, without any demur or protest and notwithstanding any dispute regarding the same or any portion thereof. The balance amount will be recovered by the Company from DoT as per the above TDSAT order.

Accordingly, based on the TDSAT order and agreements referred herein, the amount deposited with DoT has been considered good and recoverable in these special purpose financial statements.

- c. During the year ended March 31, 2016, Bharti Airtel International Netherlands B.V. (a subsidiary of the Company), has entered into non-binding but exclusive agreement with Orange to explore the possible acquisition of Group's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone. On January 12, 2016, the Group has entered into definitive agreement to sell group's operations in Burkina Faso and Sierra Leone and the exclusive agreement for the remaining two countries have lapsed. The transaction is subject to certain customary regulatory approvals and other closing conditions.
- d. During the year ended March 31, 2016, the Group has entered into an exclusive discussion with Axiata Group Berhad to explore the possibility of combining the business operations of their telecommunication subsidiaries in Bangladesh. On January 28, 2016, the Group has entered into definitive agreement which is subject to certain customary regulatory approvals and other closing conditions.
- e. During the year ended March 31, 2016, the Group has purchased 100% stake in Augere Wireless Broadband Private Limited (AWBPL). The consummation of the said transaction is subject to the approval from statutory authorities.
- f. During the year ended March 31, 2016, the Group has entered into a definitive agreement with Videocon

# Notes to consolidated financial statements

Telecommunications Limited (VTL) to acquire rights to use spectrum in the 1800 Mhz band for six circles. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

- g. Subsequent to the reporting date, the Group has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 Mhz band for eight circles. The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.
- h. On February 26, 2016, AMSL, a subsidiary of the Group Kotak Mahindra Bank Limited (KMBL) and the Company have entered into a Share Subscription and Shareholders' agreement to allot 19.90% of the post issue share capital of AMSL to KMBL. Accordingly, the shareholding of the Company in AMSL stands reduced to 80.10% and the corresponding minority interest has been recognised. Excess of proceeds over minority interest recognised, amounting to ₹ 498 Mn has been recognised directly in General Reserve.
- i. On August 27, 2015, the Group acquired additional 46% of the share capital of Indo Teleport Limited

(formerly known as Bharti Teleport Limited increasing its ownership to 95% and accordingly goodwill of ₹ 328 Mn has been recognised in the transaction.

- j. On August 7, 2014, in order to comply with the requirement to maintain minimum public shareholding of 25% in terms of rule 19(2)(b)/ 19A of Securities Contracts (Regulation) Rules, 1957, as amended, and clause 40A of the equity listing agreement, the Company sold 85 Mn shares in Bharti Infratel Limited (BIL) for ₹ 21,434 Mn, representing 4.5% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 74.86%.

Further on February 26, 2015, the Company sold 55 Mn shares for ₹ 19,255 Mn, representing 2.91% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 71.90%.

The carrying amount of minority interest has been adjusted to reflect the change of relative interest in BIL. Excess of proceeds over the change in minority interest net of associated transaction costs, taxes and regulatory levies, amounting to ₹ 25,272 Mn has been recognised directly in general reserve.

## 37. Earnings per Share

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit attributable to equity shareholders (A)	44,566	46,208
Weighted average number of equity shares outstanding during the year (Nos. in Mn) (B)	3,997	3,997
Basic/ Diluted earnings per Share (₹) (A/B)	11.15	11.56
Nominal value of equity shares (₹)	5	5

## 38. Employee Benefits

- a) During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

### i. Defined Contribution Plans

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Provident Fund <sup>ⓐ</sup>	2,203	1,775
ESI and other Funds	28	31

\* Refer Note 31

ⓐ Includes contribution to Defined Contribution Plan for Key Managerial Personnel.



# Notes to consolidated financial statements

## ii. Defined Benefit Plans and Leave Encashment

### For the year ended March 31, 2016:

(₹ Millions)		
Particulars	Gratuity <sup>#</sup>	Leave Encashment <sup>#</sup>
Current service cost	435	261
Net interest cost / (income)	206	99
Net actuarial (gain) / loss	141	(39)
<b>Total *</b>	<b>782</b>	<b>321</b>
Actual return on plan assets	(1)	-

### For the year ended March 31, 2015:

(₹ Millions)		
Particulars	Gratuity <sup>#</sup>	Leave Encashment <sup>#</sup>
Current service cost	371	244
Net interest cost / (income)	179	96
Net actuarial (gain) / loss	(68)	(162)
<b>Total *</b>	<b>482</b>	<b>178</b>
Actual return on plan assets	(88)	-

# Included in Salaries, Wages and Bonus (Refer Note 31)

\* Includes charges towards gratuity and leave encashment for Key Managerial Personnel as these are provided on an actuarial basis for the Group as a whole.

b.) The assumptions used to determine obligations are as follows:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	8.00%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	9.00%	8.00%
Expected average remaining working lives of employees (years)	25.06	24.95

c.) Reconciliation of opening and closing balances of obligations and plan assets is as follows:

### For the year ended March 31, 2016

(₹ Millions)		
Particulars	Gratuity	Leave Encashment
<b>Change in Obligation :</b>		
Present value of obligation at beginning of year	2,500	1,160
Current service cost	435	261
Interest cost	214	98
Benefits paid	(510)	(246)
Acquisitions / transfer in / out	(21)	1
Actuarial (gain) / loss	132	(39)
<b>Present value of obligation at year end</b>	<b>2,750</b>	<b>1,235</b>
<b>Change in plan assets :</b>		
Fair value of plan assets at beginning of year	104	-
Expected return on plan assets	9	-
Actuarial gain / (loss)	(9)	-
Benefits paid	(38)	-
<b>Fair value of plan assets at year end</b>	<b>66</b>	<b>-</b>
<b>Net funded status of the plan</b>	<b>(2,684)</b>	<b>(1,235)</b>
<b>Current Liabilities</b>	<b>576</b>	<b>1,235</b>
<b>Non-Current Liabilities</b>	<b>2,108</b>	

# Notes to consolidated financial statements

## For the year ended March 31, 2015:

(₹ Millions)		
Particulars	Gratuity	Leave Encashment
<b>Change in Obligation</b>		
Present value of obligation at beginning of year	2,390	1,195
Current service cost	370	243
Interest cost	192	96
Benefits paid	(415)	(210)
Acquisitions / transfer in / out	(44)	(3)
Actuarial (gain) / loss	7	(162)
<b>Present value of obligation at year end</b>	<b>2,500</b>	<b>1,159</b>
<b>Change in plan assets :</b>		
Fair value of plan assets at beginning of year	179	-
Expected return on plan assets	13	-
Actuarial gain / (loss)	75	-
Amount received on redemption of plan assets	(161)	-
Benefits paid	(2)	-
<b>Fair value of plan assets at year end</b>	<b>104</b>	<b>-</b>
<b>Net funded status of the plan</b>	<b>(2,396)</b>	<b>(1,159)</b>
<b>Current Liabilities</b>	<b>516</b>	<b>1,159</b>
<b>Non-Current Liabilities</b>	<b>1,880</b>	

- d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.
- e) 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.
- f) History of experience adjustment is as follows:

(₹ Millions)					
Particulars	Gratuity				
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013	As of March 31, 2012
Present value of obligation	2,750	2,500	2,334	1,979	1,500
Plan assets	66	104	179	183	81
Surplus / (deficit)	(2,684)	(2,396)	(2,155)	(1,796)	(1,419)
Experience adjustments on obligation- gain/(loss)	(2)	(138)	(26)	(29)	(28)
Experience adjustments on plan assets- gain/(loss)	(1)	74	(6)	-	-

(₹ Millions)					
Particulars	Leave Encashment				
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013	As of March 31, 2012
Present value of obligation	1,235	1,159	1,123	1,128	902
Experience adjustments on obligation- gain/(loss)	79	104	93	-	-

# Notes to consolidated financial statements

g) Movement in other long term employee benefits :

The provision for long term service award provided by the Group as of March 31, 2016 is ₹ 206 Mn (March 31, 2015 ₹ 194 Mn).

**39.** Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Schedule V of the Listing Agreement are as follows:

- Loan and advance in the nature of loan given to Bharti Airtel Employees Welfare Trust is ₹ 516 Mn (March 31, 2015 ₹ 326 Mn) at nil interest rate.
- Loan and advance in the nature of loan given to Bharti Infratel Employees Welfare Trust is ₹ 624 Mn (March 31, 2015 ₹ 624 Mn) at nil interest rate.
- Loan and advance in the nature of loan given to Firefly Network Limited at 9.8% interest rate is ₹ 5 Mn (March 31, 2015 ₹ Nil)

Refer note 41 for outstanding balance at the end of the year for the above entities

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

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below.

		(₹ Millions)	
Sl. No.	Particulars	As of March 31, 2016	As of March 31, 2015
a	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year included in trade payable	34	72
b	The amount of interest paid by the buyer in terms of section 16 of the Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	289	189
c	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	1
d	The amount of interest accrued and remaining unpaid at the end of financial year	22	20
e	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act	-	1

## 41. Related Party Disclosures

Related parties where control exists and / or with whom transactions have taken place during the year and description of relationships are:

### Name of the related party and related party relationship :

#### (i) Key Management Personnel

Sunil Bharti Mittal  
Gopal Vittal  
Christan de Faria

#### (ii) Other Related Parties

##### (a) Associates

Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)

Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)

Indo Teleports Limited (formerly known as Bharti Teleports Limited) (up till August 26, 2015) (refer note 36(i))

##### (b) Joint Ventures

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited) (Ceased to be related party w.e.f January 7, 2016)

Indus Towers Limited (Joint Venture of Bharti Infratel Limited)  
Bridge Mobile Pte Limited  
FireFly Networks Limited

##### (c) Entities where Key Management Personnel and their relatives are able to exercise significant influence

Bharti Foundation  
Bharti Airtel Employees Welfare Trust  
Hike Limited  
Mobinteco Limited (Merged with Hike Limited w.e.f December 22, 2015)  
Cedar Support Services Limited

# Notes to consolidated financial statements

## (d) Entities having significant influence over the Company

Singapore Telecommunications Limited  
Pastel Limited  
Bharti Telecom Limited

## (e) Group Companies \*\*

Beetel Teletech Limited  
Bharti Axa General Insurance Company Limited  
Bharti Axa Life Insurance Company Limited  
Bharti Realty Holdings Limited  
Bharti Realty Limited  
Bharti Retail Limited  
Ignite World Private Limited (formerly known as BSB Portal Limited)  
Hike Messenger Limited (formerly known as BSB Innovation India Limited)  
Centum Learning Limited

Fieldfresh Foods Private Limited  
Indian Continent Investment Limited  
Jersey Airtel Limited  
Mehrauli Realty and Consultants Limited  
Nile Tech Limited  
Y2CF Digital Media Limited  
Bharti Enterprises Limited  
Atrium Restaurants India Private Limited  
Bharti Land Limited  
Centrum Work skills India Limited  
Augere Wireless Broadband India Private Limited  
(w.e.f. December 31, 2015)

\*\* **Group Companies:** though not 'Related Parties' as per the IGAAP definition, have been included by way of a voluntary disclosure, following the best corporate governance practices.

The details of amounts due to or due from the related parties as of March 31, 2016 and March 31, 2015 are as follows:

		(₹ Millions)	
S. No	Particulars	As of March 31, 2016	As of March 31, 2015
<b>1</b>	<b>Loans &amp; Advances (including any accrued interest)</b>		
	<b>Entities where Key Management Personnel and their relatives exercise significant Influence</b>		
	Bharti Airtel Employees Welfare Trust	508	98
	Bharti Infratel Employees Welfare Trust	555	624
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	466
	<b>Group Companies</b>		
	Augere Wireless Broadband India Pvt. Ltd.	51	-
	<b>Joint Venture</b>		
	Firefly Network limited	3	-
		<b>1,117</b>	<b>1,188</b>
<b>2</b>	<b>Security Deposit/Advances given</b>		
	<b>Group Companies</b>		
	Bharti Realty Limited	419	419
	Bharti Realty Holdings Limited	103	99
	Centum learning Limited	60	60
	Nile Tech Limited	428	396
	<b>Joint Venture</b>		
	Indus Towers Limited	2,208	2,136
	Firefly Network limited	0	-
		<b>3,218</b>	<b>3,110</b>
<b>3</b>	<b>Trade Receivables</b>		
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	125
	<b>Joint Venture of Subsidiary</b>		
	Indus Towers Limited	14	139

# Notes to consolidated financial statements

		(₹ Millions)	
S. No	Particulars	As of March 31, 2016	As of March 31, 2015
	<b>Group Companies</b>		
	Bharti Retail Limited	72	69
	Bharti AXA Life Insurance Company Limited	7	5
	Bharti Realty Limited	43	32
	Bharti Realty Holdings Limited	8	4
	Bharti AXA General Insurance Co Ltd	9	7
	Fieldfresh Foods Private Limited	2	1
	Jersey Airtel Limited	7	6
	Bharti Enterprises Limited	0	-
	Beetel Teletech Limited	12	10
	Nile Tech Limited	2	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	29	35
	Hike Messenger Limited (formerly Known as BSB Innovation India Limited)	1	2
	Centum learning Limited	82	13
	Bharti Land Limited	1	-
	Augere Wireless Broadband India Pvt. Ltd.	65	-
	<b>Entities where Key Management Personnel and their relatives exercise significant Influence</b>		
	Hike Limited	36	65
	<b>Entity having significant influence over the Company</b>		
	Singapore Telecommunications Ltd.	233	342
		<b>623</b>	<b>855</b>
4	<b>Trade Payables</b>		
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	1
	Tanzania Telecommunications Company Limited	613	145
	<b>Joint Ventures</b>		
	Indus Towers Limited	5,049	5,175
	Bridge Mobile Pte. Limited	4	5
	Firefly Network limited	12	-
	<b>Group Companies</b>		
	Beetel Teletech Limited	515	243
	Bharti Realty Limited	-	10
	Bharti Retail Limited	2	3
	Bharti Realty Holdings Limited	14	15
	Bharti Enterprises Limited	18	45
	Bharti AXA General Insurance Co Ltd	2	127
	Nile Tech Limited	1	0
	Ignite World Private Limited (formerly known as BSB Portal Limited)	78	201
	Centum learning Limited	94	114
	Y2CF Digital Media Pvt. Ltd.	-	2
	<b>Entity having significant influence over the Company</b>		
	Singapore Telecommunications Limited	533	436
		<b>6,935</b>	<b>6,522</b>

# Notes

to consolidated financial statements

The details of the related party transaction entered into by the Group for the year ended March 31, 2016 and March 31, 2015 are as follows :

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>1</b>	<b>Purchase of fixed assets/ bandwidth</b>		
	<b>Group Companies</b>		
	Ignite World Private Limited (formerly known as BSB Portal Limited)	-	92
	Beetel Teletech Limited	2,475	1,204
	<b>Associate of Subsidiary</b>		
	Seychelles Cable Systems Company Limited	-	111
		<b>2,475</b>	<b>1,407</b>
<b>2</b>	<b>Rendering of Services</b>		
	<b>Associate /Associate of Subsidiary</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	13	29
	Tanzania Telecommunications Company Limited	115	106
	<b>Group Companies</b>		
	Fieldfresh Foods Private Limited	10	3
	Bharti AXA Life Insurance Company Limited	23	21
	Jersey Airtel Limited	15	23
	Bharti Realty Limited	13	-
	Bharti Retail Limited	46	69
	Gourmet Investments Private Limited	-	-
	Atrium Restaurants India Private Limited	0	-
	Bharti Land Limited	1	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	28	19
	Beetel Teletech Limited	7	3
	Bharti Realty Holdings Limited	6	1
	Bharti AXA General Insurance Co Ltd	33	12
	Hike Messenger Limited (Formerly Known as BSB Innovation India Limited)	1	2
	Bharti Enterprises Limited	3	0
	Centum learning Limited	7	6
	<b>Joint Venture of Subsidiary</b>		
	Indus Towers Limited	21	-
	<b>Entities where key management personnel &amp; their relatives exercise significant influence</b>		
	Hike Limited	190	116
	Mobinreco Limited (Merged with Hike Limited wef December 22,2015 )	-	-
	Bharti Foundation	3	0
	<b>Entity having significant influence over the Company</b>		
	Singapore Telecommunications Ltd.	1,313	1,444
		<b>1,848</b>	<b>1,854</b>
<b>3</b>	<b>Receiving of services</b>		
	<b>Associate of Subsidiary</b>		
	Tanzania Telecommunications Company Limited	928	305
	<b>Joint Ventures</b>		
	Indus Towers Limited	22,379	20,341
	Bridge Mobile Pte Limited	23	23
	FireFly Networks Limited	12	-
	<b>Group Companies</b>		
	Beetel Teletech Limited	1,457	730
	Bharti Realty Limited	9	5



# Notes to consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Bharti Retail Limited	1	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	707	755
	Y2CF Digital Media Pvt. Ltd.	2	4
	Bharti Realty Holdings Limited	227	192
	Bharti AXA Life Insurance Company Limited	0	71
	Bharti AXA General Insurance Company Limited	34	52
	Jersey Airtel Limited	1	1
	Centum learning Limited	610	797
	Bharti Retail Ltd.	-	3
	<b>Entity having significant influence over the Company</b>		
	Singapore Telecommunications Ltd.	629	614
		<b>27,019</b>	<b>23,893</b>
<b>4</b>	<b>Fund transferred/Expenses incurred on behalf of others</b>		
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	23
	<b>Group Companies</b>		
	Bharti Retail Ltd.	-	2
		-	<b>25</b>
<b>5</b>	<b>Fund received/Expenses incurred on behalf of the Company</b>		
	<b>Joint Venture</b>		
	Forum 1 Aviation Ltd	21	40
	Indus Towers Limited	51	38
	<b>Group Companies</b>		
	Bharti Retail Ltd.	0	1
	Bharti Realty Limited	6	-
	Bharti Realty Holdings Limited	16	-
	Bharti Enterprises Limited	234	926
		<b>328</b>	<b>1,005</b>
<b>6</b>	<b>Employee related expenses incurred on behalf of the Company</b>		
	<b>Group Companies</b>		
	Bharti Enterprises Limited	97	127
	Bharti Retail Ltd.	-	1
	Bharti Realty Limited	0	-
	Bharti Realty Holdings Limited	0	-
	Centum learning Limited	0	1
	Beetel Teletech Limited	0	0
		<b>97</b>	<b>129</b>
<b>7</b>	<b>Donation</b>		
	<b>Entities where Key Management Personnel and their relatives exercise significant Influence</b>		
	Bharti Foundation	830	804
		<b>830</b>	<b>804</b>
<b>8</b>	<b>Security deposit given/Advances paid</b>		
	<b>Joint Venture</b>		
	Indus Towers Limited	73	42
	FireFly Networks Limited	0	-
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	0
	<b>Group Companies</b>		
	Bharti Realty Limited	35	0
	Nile Tech Limited	33	0

# Notes

to consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Bharti Realty Holdings Limited	4	-
	<b>Entity having significant influence over the Company</b>		
	Bharti Telecom Ltd.	0	1
		<b>145</b>	<b>43</b>
<b>9</b>	<b>Loans given</b>		
	<b>Entities where Key Management Personnel and their relatives exercise significant Influence</b>		
	Bharti Airtel Employees Welfare Trust	514	-
	Bharti Infratel Employees Welfare Trust	-	624
	<b>Joint Venture</b>		
	FireFly Networks Limited	3	-
	<b>Group Companies</b>		
	Augere Wireless Broadband India Pvt. Ltd.	40	-
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	14	154
		<b>571</b>	<b>778</b>
<b>10</b>	<b>Repayment of Loans given</b>		
	<b>Joint Venture of Subsidiary</b>		
	Indus Tower Limited	-	5,320
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	14	-
	<b>Entities where Key Management Personnel and their relatives exercise significant Influence</b>		
	Bharti Airtel Employees Welfare Trust	104	228
	Bharti Infratel Employees Welfare Trust	69	-
		<b>187</b>	<b>5,548</b>
<b>11</b>	<b>Dividend Paid</b>		
	<b>Entities having significant influence over the Company</b>		
	Pastel Ltd.	1,313	2,028
	Bharti Telecom Ltd.	3,886	5,994
	<b>Group Companies</b>		
	Indian Continent Investment Ltd.	590	912
	<b>Key Management Personnel</b>		
	Gopal Vittal	0	0
	<b>Entities Where Key Management Personnel and their relative exercise significant Influence</b>		
	Bharti Airtel Employees Welfare Trust	1	7
	Bharti Infratel Employees Welfare Trust	11	-
		<b>5,801</b>	<b>8,941</b>
<b>12</b>	<b>Reimbursement of energy expenses</b>		
	<b>Joint Venture of Subsidiary</b>		
	Indus Towers Limited	13,467	13,514
	<b>Group Companies</b>		
	Bharti Realty Holdings Limited	4	3
		<b>13,471</b>	<b>13,517</b>
<b>13</b>	<b>Remuneration</b>		
	<b>Key Management Personnel</b>		
	Short-Term Employee Benefits	274	250
	Defined Contribution Plan	24	22
	Performance Linked Incentive ('PLI')#	153	153
		<b>451</b>	<b>425</b>

# Notes to consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>14</b>	<b>Rent Expense</b>		
	<b>Group Companies</b>		
	Beetel Teletech Limited	4	13
	Bharti Realty Limited	1,116	655
	Bharti Axa Life Insurance Company Limited	0	1
	Nile Tech Limited	667	553
		<b>1,787</b>	<b>1,222</b>
<b>15</b>	<b>Rent Income</b>		
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	2	4
		<b>2</b>	<b>4</b>
<b>16</b>	<b>Interest Income</b>		
	<b>Associate</b>		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	22	47
	<b>Group Companies</b>		
	Augere Wireless Broadband India Pvt. Ltd.	2	-
	<b>Joint Venture</b>		
	FireFly Networks Limited	0	-
		<b>24</b>	<b>47</b>
<b>17</b>	<b>Refund of security deposit</b>		
	<b>Group Companies</b>		
	Bharti Realty Limited	32	-
	<b>Joint Venture</b>		
	Forum 1 Aviation Ltd	3	-
	<b>Entity having significant influence over the Company</b>		
	Bharti Telecom Limited	-	1
		<b>35</b>	<b>1</b>
<b>18</b>	<b>Claim received</b>		
	<b>Group Companies</b>		
	Bharti Axa General Insurance Company Limited	72	46
		<b>72</b>	<b>46</b>
<b>19</b>	<b>Purchase of investment</b>		
	<b>Joint Venture</b>		
	Firefly Network limited	-	5
		<b>-</b>	<b>5</b>
<b>20</b>	<b>Reduction of share capital</b>		
	<b>Joint Venture</b>		
	Bridge Mobile Pte Limited	-	78
		<b>-</b>	<b>78</b>
<b>21</b>	<b>Employee related expenses incurred on behalf of the Others</b>		
	<b>Joint Venture</b>		
	Firefly Network limited	7	-
	<b>Group Companies</b>		
	Bharti Enterprises Limited	40	-
	Centum learning Limited	2	-
		<b>49</b>	<b>-</b>

# Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of ₹ 29 Mn and ₹ 23 Mn has been recorded in the books towards PLI for the year ended March 31, 2016 and March 31, 2015, respectively. During the year ended March 31, 2016, PLI of ₹ 143 Mn (March 31, 2015: ₹ 250 Mn) pertaining to previous year has been paid.

# Notes to consolidated financial statements

## 42. Lease

### a) Operating lease - As a lessee

The lease rentals charged during the year for cancellable / non-cancellable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancellable operating leases are as follows:

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
Lease rentals [excluding lease equalisation reserve - ₹ 1,340 Mn (March 31, 2015 ₹ 1,580 Mn)]	64,559	53,829
<b>Obligations on non-cancellable leases :</b>		
Not later than one year	49,241	42,232
Later than one year but not later than five years	152,459	143,424
Later than five years	101,436	93,393
<b>Total</b>	<b>303,135</b>	<b>279,049</b>

The escalation clause includes escalation ranging from 0% to 25%, includes option of renewal from 1 to 15 years and there are no other significant restrictions imposed by lease arrangements.

### b) Operating Lease – As a Lessor

- i) The Company has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right of use (IRU) basis and certain premises on lease. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2016 and accordingly, disclosures required by AS 19 - Leases are not provided.
- ii) The future minimum lease payments receivable are:

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
Not later than one year	49,821	43,492
Later than one year but not later than five years	157,129	160,167
Later than five years	62,948	57,148
<b>Total</b>	<b>269,898</b>	<b>260,807</b>

### c) Finance Lease – As a Lessee

- i) Finance Lease obligation of the Group as lessee as of March 31, 2016 is as follow:-

Particulars	(₹ Millions)		
	Future minimum lease payments	Interest	Present value
Not later than one year	10,160	5,414	4,746
Later than one year but not later than five years	38,263	16,973	21,290
Later than five years	39,381	7,545	31,835
<b>Total</b>	<b>87,804</b>	<b>29,932</b>	<b>57,871</b>

# Notes to consolidated financial statements

ii) Finance Lease obligation of the Group as lessee as of March 31, 2015 is as follow:

Particulars	(₹ Millions)		
	Future minimum lease payments	Interest	Present value
Not later than one year	721	164	557
Later than one year but not later than five years	1,083	421	662
Later than five years	575	166	409
<b>Total</b>	<b>2,379</b>	<b>751</b>	<b>1,628</b>

**d) Finance Lease – As a Lessor**

i) The future minimum lease payments receivable of the Group as of March 31, 2016 is as follows:

Particulars	(₹ Millions)		
	Future minimum lease payments	Interest	Present value
Not later than one year	126	33	93
Later than one year but not later than five years	297	37	260
<b>Total</b>	<b>423</b>	<b>70</b>	<b>353</b>

ii) The future minimum lease payments receivable of the Group as of March 31, 2015 is as follows:

Particulars	(₹ Millions)		
	Future minimum lease payments	Interest	Present value
Not later than one year	45	13	32
Later than one year but not later than five years	123	17	106
<b>Total</b>	<b>168</b>	<b>30</b>	<b>138</b>

# Notes to consolidated financial statements

## 43. Employee Stock Compensation

The following table provides an overview of all existing share option plans of the Group:

Entity	Scheme	Plan	Year of issuance of plan	Vesting period (years)	Contractual term (years)	As of March 31, 2016	As of March 31, 2015
						Share options granted (thousands)	Share options granted (thousands)
						Weighted average exercise price (₹)	Weighted average exercise price (₹)
<b>Equity settled Plans</b>							
Bharti Airtel	Scheme I	2001 Plan *	2002	1-4	7	30,893	21.25
Bharti Airtel	Scheme I	2004 Plan *	2004	1-4	7	4,380	35.00
Bharti Airtel	Scheme I	Superpot *	2004	1-3	7	143	-
Bharti Airtel	Scheme I	2006 Plan	2006	1-5	7	5,489	5.48
Bharti Airtel	Scheme 2005	2005 Plan *	2005	1-4	7	11,260	237.06
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	1-3	7	8,817	352.13
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	3-4	7	1,691	5.00
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	2010	1-5	7	3,615	5.00
Bharti Airtel	Scheme 2005	Long Term Incentive (LTI) Plan	2011	1-3	7	433	5.00
Bharti Airtel	Scheme 2005	LTI Plan	2012	1-3	7	1,649	5.00
Bharti Airtel	Scheme 2005	LTI Plan	2015	1-3	7	1,576	5.00
Bharti Infratel	Infratel plan	2008 Plan	2008	1-5	7	9,913	109.67
Bharti Infratel	Infratel plan	LTI Plan (Part of 2008 plan)	2012	1-3	7	34	10.00
Bharti Infratel	Infratel plan	2015 Plan	2015	1-3	7	90	10.00
<b>Cash settled Plans</b>							
Bharti Airtel	Scheme 2005	LTI Plan Africa *	2011	1-3	3	560	5.00
Bharti Airtel	Performance Unit Plan (PUP) 2013	Performance Unit Plan (PUP) 2013	2013	1-3	3	3,435	-
Bharti Airtel	Performance Unit Plan (PUP) 2014	Performance Unit Plan (PUP) 2014	2014	1-5	3-5	5,920	-
Bharti Airtel	Performance Unit Plan (PUP) 2015	Performance Unit Plan (PUP) 2015	2015	1-3	7	1,045	-
Bharti Infratel	Infratel plan	PUP	2013 & 2014	1-3	7	309	-
Indus	Indus Plan	SAR Plan - 1	2013	**	7	1	-
Indus	Indus Plan	SAR Plan - 2	2013	1-3	7	0	-

\* Contractual term has expired

\*\* The vesting schedule of SAR Plan1 stipulates vesting as applicable under the Scheme or as determined by the Human Resource and Remuneration Committee and communicated through the award letters.



# Notes to consolidated financial statements

The following table exhibits the net compensation expenses arising from shares based payment transaction::

Particulars	(₹ Millions)	
	Year ended March 31, 2016	Year ended March 31, 2015
Equity-settled share-based payment transactions	248	(4)
Cash-settled share-based payment transactions	780	777
	<b>1,028</b>	<b>773</b>

The information concerning share options issued is presented below:

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (In '000)	Weighted average exercise price (₹)	Number of share options (In '000)	Weighted average exercise price (₹)
<b>Equity Settled Plans</b>				
<b>Scheme I - 2006 Plan</b>				
Outstanding at beginning of year	390	5.00	539	6.74
Granted	-	-	225	5.00
Exercised	(75)	5.00	(98)	14.38
Forfeited / Expired	(10)	5.00	(276)	5.00
Outstanding at end of year	305	5.00	390	5.00
Exercisable at end of year	30	5.00	65	5.00
<b>Scheme 2005 - 2005 Plan</b>				
Outstanding at beginning of year	-	-	1,008	436.06
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	-	-	(1,008)	436.06
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
<b>Scheme 2005 - 2008 Plan &amp; AGP</b>				
Outstanding at beginning of year	2,534	355.45	3,439	354.54
Granted	-	-	-	-
Exercised	(686)	334.89	(173)	327.20
Forfeited / Expired	(1,209)	342.24	(732)	357.85
Outstanding at end of year	639	402.50	2,534	355.45
Exercisable at end of year	639	402.50	2,534	355.45
<b>Scheme 2005 - PSP 2009 Plan</b>				
Outstanding at beginning of year	83	5.00	242	5.00
Granted	-	-	-	-
Exercised	(22)	5.00	(159)	5.00
Forfeited / Expired	(8)	5.00	-	5.00
Outstanding at end of year	53	5.00	83	5.00
Exercisable at end of year	53	5.00	83	5.00
<b>Scheme 2005 - Special ESOP &amp; RSU Plan</b>				
Outstanding at beginning of year	189	5.00	408	5.00
Granted	-	-	-	-
Exercised	(44)	5.00	(178)	5.00
Forfeited / Expired	(19)	5.00	(41)	5.00
Outstanding at end of year	126	5.00	189	5.00
Exercisable at end of year	126	5.00	189	5.00

# Notes

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Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (In '000)	Weighted average exercise price (₹)	Number of share options (In '000)	Weighted average exercise price (₹)
<b>Scheme 2005 - LTI Plan (2011, 2012 &amp; 2015)</b>				
Outstanding at beginning of year	523	5.00	1,072	5.00
Granted	1,576	5.00	67	5.00
Exercised	(201)	5.00	(356)	5.00
Forfeited / Expired	(189)	5.00	(260)	5.00
Outstanding at end of year	1,709	5.00	523	5.00
Exercisable at end of year	208	5.00	230	5.00
<b>Bharti Infratel : 2008 Plan</b>				
Outstanding at beginning of year	3,834	109.67	8,554	109.67
Granted	-	-	-	-
Exercised	(3,078)	109.67	(4,463)	109.67
Forfeited / Expired	(24)	109.67	(257)	109.67
Outstanding at end of year	732	109.67	3,834	109.67
Exercisable at end of year	732	109.67	3,607	109.67
<b>Bharti Infratel : LTI Plan (Part of 2008 Plan)</b>				
Number of shares under option:				
Outstanding at beginning of year	6	10.00	16	10.00
Granted	-	-	-	-
Exercised	(2)	10.00	(5)	10.00
Forfeited / Expired	-	10.00	(5)	10.00
Outstanding at end of year	4	10.00	6	10.00
Exercisable at end of year	4	10.00	3	10.00
<b>Bharti Infratel : LTI Plan (2015 Plan)</b>				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	90	10.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited / Expired	-	-	-	-
Outstanding at end of year	90	10.00	-	-
Exercisable at end of year	-	-	-	-
<b>Cash Settled Plan</b>				
<b>Scheme 2005 - LTI Plan Africa</b>				
Outstanding at beginning of year	-	-	107	5.00
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	(107)	5.00
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
<b>PUP 2013</b>				
Outstanding at beginning of year	1,435	-	3,004	-
Granted	-	-	140	-
Exercised	(381)	-	(589)	-
Forfeited	(555)	-	(1,120)	-
Outstanding at end of year	499	-	1,435	-
Exercisable at end of year	-	-	-	-

# Notes to consolidated financial statements

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (In '000)	Weighted average exercise price (₹)	Number of share options (In '000)	Weighted average exercise price (₹)
<b>PUP 2014</b>				
Number of shares under option:				
Outstanding at beginning of year	5,548	-	-	-
Granted	11	-	5,909	-
Exercised	(441)	-	-	-
Forfeited / Expired	(1,477)	-	(361)	-
Outstanding at end of year	3,641	-	5,548	-
Exercisable at end of year	-	-	-	-
<b>PUP 2015</b>				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	1,045	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	(138)	-	-	-
Outstanding at end of year	907	-	-	-
Exercisable at end of year	-	-	-	-
<b>Bharti Infratel : Performance Unit Plan</b>				
Number of shares under option:				
Outstanding at beginning of year	238	-	171	-
Granted	-	-	138	-
Exercised	(51)	-	(46)	-
Forfeited / Expired	(4)	-	(25)	-
Outstanding at end of year	183	-	238	-
Exercisable at end of year	37	-	2	-
<b>Indus : SAR Plan 1 *</b>				
Number of shares under option:				
Outstanding at beginning of year	0.0546	-	0.1483	-
Exercised	(0.0511)	-	(0.0745)	-
Forfeited / Expired	-	-	(0.0192)	-
Outstanding at end of year	0.0036	-	0.0546	-
Exercisable at end of year	0.0036	-	0.0368	-
<b>Indus : SAR Plan 2 *</b>				
Number of shares under option:				
Outstanding at beginning of year	0.1135	-	0.0655	-
Granted	0.0270	-	0.0639	-
Exercised	(0.0563)	-	(0.0112)	-
Forfeited / Expired	(0.0072)	-	(0.0047)	-
Outstanding at end of year	0.0770	-	0.1135	-
Exercisable at end of year	0.0099	-	0.0226	-

\* Represents the Company's share of 42% in the joint venture.

# Notes to consolidated financial statements

The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

## March 31, 2016

Entity	Plan	Options Outstanding as of March 31, 2016			Options Granted during the year ended March 31, 2016		Options Exercised during the year ended March 31, 2016	
		Options (thousands)	Exercise price (₹)	Weighted average remaining contractual life (years)	Options (thousands)	Weighted average Fair Value (₹)	Options (thousands)	Weighted average share price (₹)
<b>Equity settled Plans</b>								
Bharti Airtel	2006 Plan	305	5.00	5.00	-	-	75	350.45
Bharti Airtel	2008 Plan & AGP	639	402.50	0.25	-	-	686	397.45
Bharti Airtel	PSP 2009 Plan	53	5.00	0.69	-	-	22	367.51
Bharti Airtel	Special ESOP & RSU Plan	126	5.00	1.20	-	-	44	319.66
Bharti Airtel	LTI Plan (2011, 2012 & 2015)	1,709	5.00	5.98	1,576	398.32	201	348.28
Bharti Infratel	2008 Plan	732	109.67	1.05	-	-	3,078	394.02
Bharti Infratel	LTI Plan (Part of 2008 Plan)	4	10.00	3.42	-	-	2	394.02
Bharti Infratel	2015 Plan	90	10.00	6.33	90	414.41	-	-
<b>Cash settled Plans</b>								
Bharti Airtel	PUP 2013	499	-	0.37	-	-	381	417.90
Bharti Airtel	PUP 2014	3,641	-	1.97	11	373.40	441	423.32
Bharti Airtel	PUP 2015	907	-	2.35	1,045	342.44	-	-
Bharti Infratel	Performance Unit Plan	183	-	4.34	-	-	51	439.11
Indus	SAR Plan 1	0.00	-	3.84	-	-	(0.05)	404,438.00
Indus	SAR Plan 2	0.08	-	4.34 to 6.34	0.03	679,000.00	(0.06)	657,738.00

## March 31, 2015

Entity	Plan	Options Outstanding as of March 31, 2015			Options Granted during the year ended March 31, 2015		Options Exercised during the year ended March 31, 2015	
		Options (thousands)	Exercise price (₹)	Weighted average remaining contractual life (years)	Options (thousands)	Weighted average Fair Value (₹)	Options (thousands)	Weighted average share price (₹)
<b>Equity settled Plans</b>								
Bharti Airtel	2006 Plan	390	5.00 to 110.50	5.86	225	361.19	98	371.70
Bharti Airtel	2008 Plan & AGP	2,534	295.00 to 402.50	0.63	-	-	173	383.30
Bharti Airtel	PSP 2009 Plan	83	5.00	1.87	-	-	159	352.26
Bharti Airtel	Special ESOP & RSU Plan	189	5.00	2.26	-	-	178	350.09
Bharti Airtel	LTI Plan (2011 & 2012)	523	5.00	4.27	67	291.63	356	368.36
Bharti Infratel	2008 Plan	3,834	109.67	1.95	-	-	4,463	262.40
Bharti Infratel	LTI Plan (Part of 2008 Plan)	6	10.00	4.42	-	-	5	262.40
<b>Cash settled Plans</b>								
Bharti Airtel	PUP 2013	1,435	-	1.37	140	378.92	589	354.24
Bharti Airtel	PUP 2014	5,548	-	2.81	5,909	383.98	-	-
Bharti Infratel	Performance Unit Plan	238	-	5.34	138	336.29	46	262.40
Indus	SAR Plan 1	0.05	-	4.84	-	-	(0.07)	144,807.00
Indus	SAR Plan 2	0.11	-	4.84 to 6.34	0.06	658,000.00	(0.01)	344,180.00

# Notes to consolidated financial statements

The total carrying value of cash-settled share based compensation liability is ₹ 1,262 Mn and ₹ 857 Mn as of March 31, 2016 and March 31, 2015, respectively.

The fair value of options granted was estimated on the date of grant and at each reporting date (for cash-settled share based options) using the Black-Scholes / Lattice / Monte Carlo Simulation valuation model with the following assumptions:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Risk free interest rates	6.86% to 7.87%	7.64% to 8.65%
Expected life	4 to 60 months	10 to 72 months
Volatility	26.63% to 38.01%	27.36% to 32.59%
Dividend yield excluding Indus	0.54% to 1.44%	0.46% to 0.6%
Dividend yield - Indus	3.20% to 4.98%	3.65% to 4.98%
Wtd average share price on measurement date excluding Infratel (₹)	350.9 to 411.7	373.7 to 393.9
Wtd average exercise price on measurement date excluding Infratel (₹)	0 to 5	0 to 5
Wtd average share price on measurement date - Infratel (₹)	497.00	378.00
Wtd average exercise price on measurement date - Infratel (₹)	10.00	-

The expected life of the share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur. The volatility of the options is based on the historical volatility of the share price since the respective entity's equity shares became publicly traded.

Bharti Infratel Limited (the subsidiary of the Company) has issued fresh equity shares to its employees under the equity settled share based compensation plan and has received an amount of ₹ 338 Mn (March 31, 2015: ₹ 497 Mn), resulting in increase in the holding of minority shareholders by 0.19%.

## 44. Derivatives

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and changes in interest rate.

The following table details the status of the Group's exposure:

S. No.	Particulars	Notional Value (March 31, 2016)	Notional Value (March 31, 2015)
(₹ Millions)			
<b>A</b>	<b>For Loan related exposures*</b>		
	a) Forwards	76,712	7,023
	b) Options	35,908	32,548
	c) Interest rate swaps	251,356	186,990
	<b>Total</b>	<b>363,976</b>	<b>226,561</b>
<b>B</b>	<b>For Trade related exposures*</b>		
	a) Forwards	20,707	13,992
	b) Options	26,082	6,605
	c) Interest Rate Swaps	-	-
	<b>Total</b>	<b>46,789</b>	<b>20,597</b>
<b>C</b>	<b>Unhedged foreign currency borrowing</b>	340,036	370,962
<b>D</b>	<b>Unhedged foreign currency payables</b>	51,537	75,877
<b>E</b>	<b>Unhedged foreign currency receivables</b>	82,210	66,614

\* Trade related exposure includes hedges taken for forecasted receivables.

The Group has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded a net loss ₹ 296 Mn (including net loss of ₹ 308 Mn towards embedded derivatives) for the year ended March 31, 2016 and recorded reversal of loss of ₹ 635 Mn (including reversal of loss of ₹ 490 Mn towards embedded derivatives) for the year ended March 31, 2015.

# Notes to consolidated financial statements

## 45. Movement in Provision

### a) Doubtful Debts/Advances

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance at the beginning of the year <sup>#</sup>	35,199	31,585
Provision for the year	9,373	9,401
Write-off of bad debts (net of recovery)	(6,867)	(4,247)
Currency translation	2,573	(1,540)
<b>Balance at the end of the year<sup>#</sup></b>	<b>40,278</b>	<b>35,199</b>

<sup>#</sup> includes provision for doubtful TDS receivable of ₹ 1,050 Mn (March 31, 2015 ₹ 739 Mn) grouped under Advance tax.

### b) Subjudice Matters

The Group is involved in various litigations, the outcome of which are considered probable, and in respect of which the Group has made aggregate provisions of ₹ 113,437 Mn as at March 31, 2016 (March 31, 2015 ₹ 86,531 Mn).

The movement of provision towards subjudice matters disclosed under other non-current assets (refer note 20) and other current liabilities (refer note 14)

#### Movement in Provision towards subjudice matters

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Balance	86,531	74,674
Additions (net)	26,906	11,857
<b>Closing Balance</b>	<b>113,437</b>	<b>86,531</b>



# Notes to consolidated financial statements

## 46. Security Details

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and financial institutions taken by the Parent and subsidiaries. The details of security provided by the Group in various countries, are as follows:

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2016	As of March 31, 2015	
Bharti Airtel Ltd	Parent	20	19	Hypothecation of vehicles
Airtel Bangladesh Ltd	Subsidiary	26,351	21,744	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the company, favouring the Bank / FIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-1, EKN-2, SCB Mauritius & HDFC Loan facilities. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the company, both present and future, including but not limited to stock, book debts, receivables and accounts of the company, entered into or to be entered into by the company, favouring the Bank / FIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies for EKN-1, EKN-2, SCB Mauritius & HDFC loan facility. (iii) Corporate Guarantee by BAHSPL (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSPL by BAL (Bharti Airtel Limited) for EKN-1, EKN-2, HDFC loan facility. (iv) Register Hypothecations of all present and future book debts, receivables, monies, and movable property of the Borrower consisting of raw materials, stocks, inventory work in progress, finished goods and insurance proceeds thereof, of Airtel Bangladesh on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 and its subsequent modifications to the hypothecation executed in favor of the existing lenders and filed with the Registrar of Joint Stock Companies. (For Short Term Working Capital Lenders (STL & OD) except Citibank N.A).

# Notes

to consolidated financial statements

(₹Millions)

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2016	As of March 31, 2015	
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	18,062	59,349	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana (ii) Pledge on specific fixed assets - Chad
Indus Towers Limited (42% share)	Joint Venture	16,552	23,840	(i) a first charge by way of hypothecation of the JV Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future; (ii) a charge on JV Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and (iii) a first charge over the amount in the Debt Service Account opened and maintained by the JV Company in accordance with the terms of this Agreement and the Debt Service Account Agreement;
<b>Total</b>		<b>60,985</b>	<b>104,952</b>	

### Africa operations acquisition related borrowing:

Loans outstanding as at the reporting date includes certain loans which have been taken to refinance the Africa operations acquisition related borrowing. These loan agreements contain a negative pledge covenant that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa BV, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro Notes due in 2018 and USD Notes due in 2023 issued by BAIN contain certain covenants relating to limitation on Indebtedness and all notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless an effective provision is made to secure the Notes and guarantee equally and ratably with such Indebtedness for so long as such Indebtedness is so secured by such lien. The limitation on indebtedness covenant on Euro Notes due 2018 and USD Notes due 2023 gets suspended on Notes meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements. The other notes issued do not carry any restrictions on the limitation on indebtedness.

# Notes to consolidated financial statements

## 47. Interest in Joint Venture

The Group's share of the assets, liabilities, income and expense of the joint venture, which has been proportionately consolidated in the consolidated financial statements, before elimination of transactions between the group and the joint venture are as follows:

Particulars	(₹ Millions)	
	As of March 31, 2016	As of March 31, 2015
<b>Balance Sheet</b>		
Current assets	8,887	8,933
Non-current assets	99,572	101,440
Current liabilities	27,263	22,396
Non-current liabilities	32,343	36,693
<b>Equity</b>	<b>48,853</b>	<b>51,284</b>

Particulars	(₹ Millions)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Statement of Profit and Loss</b>		
Revenue	67,245	62,915
Other Income	1,095	1,676
Employee benefit expenses	1,766	1,583
Other expenses	37,001	35,207
Finance costs	2,193	2,968
Depreciation	10,994	10,632
<b>Profit before tax</b>	<b>16,386</b>	<b>14,201</b>
Tax Expense	5,777	5,109
<b>Profit for the year</b>	<b>10,609</b>	<b>9,092</b>

48. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the State of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through

arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High Court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Hon'ble Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. The next date of hearing is May 12, 2016. However, the Company on October 30, 2013 has filed Writ Petition for recovery in Hon'ble Delhi High Court, notice issued by High Court. The matter was listed on November 6, 2015 and is reserved for judgement.

# Notes

to consolidated financial statements

## 49. Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries, Associates and Joint ventures.

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>									
1	Bharti Airtel Limited	200%	844,468	169%	75,465	197%	782,729	286%	132,005
<b>Subsidiaries</b>									
<b>Indian</b>									
1	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)	-	-	0%	(6)	14%	55,953	(1%)	(234)
2	Airtel M Commerce Services Limited	1%	2,369	(1%)	(346)	0%	671	0%	45
3	Bharti Airtel Services Limited	0%	(1,008)	0%	(65)	0%	(943)	0%	(88)
4	Bharti Hexacom Limited	15%	62,564	23%	10,277	13%	52,288	23%	10,793
5	Bharti Infratel Limited	32%	134,635	30%	13,233	30%	119,030	24%	10,978
6	Bharti Infratel Services Limited	-	-	0%	(0)	0%	0	0%	(0)
7	Bharti Telemedia Limited	(8%)	(34,116)	3%	1,278	(9%)	(35,393)	(4%)	(1,907)
8	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	0%	(359)	0%	(78)	-	-	-	-
9	Nxtra Data Limited	0%	(17)	0%	14	0%	(31)	0%	(78)
10	Smartx Services Limited	0%	30	0%	0	-	-	-	-
11	Telesonic Networks Limited	0%	116	1%	323	0%	(207)	0%	219
12	Wynk Limited	0%	16	0%	16	0%	1	0%	-
<b>Foreign</b>									
1	Africa Towers N.V.	0%	(355)	(1%)	(284)	0%	(70)	0%	(69)
2	Africa Towers Services Limited	0%	(0)	0%	35	0%	(34)	0%	(43)
3	Airtel (Seychelles) Limited	0%	(799)	(1%)	(243)	0%	(529)	0%	(164)
4	Airtel (SL) Limited	(1%)	(4,618)	1%	240	(1%)	(4,233)	(1%)	(293)
5	Airtel Bangladesh Limited	(5%)	(21,090)	(16%)	(7,269)	(3%)	(12,979)	(14%)	(6,590)
6	Airtel Burkina Faso S.A.	(1%)	(2,739)	1%	245	0%	(1,598)	(1%)	(595)
7	Airtel Congo (RDC) S.A. (formerly Celtel Congo RDC S.a.r.l.)	(16%)	(69,368)	(36%)	(16,153)	(13%)	(50,573)	(36%)	(16,825)
8	Airtel Congo S.A.*	(6%)	(23,389)	(8%)	(3,701)	(4%)	(16,661)	(18%)	(8,228)
9	Airtel DTH Services (SL) Limited (in liquidation)	0%	-	0%	-	0%	-	0%	-
10	Airtel DTH Services Congo (RDC) S.p.r.l. (In liquidation)	0%	-	0%	-	0%	-	0%	-
11	Airtel DTH Services Nigeria Limited (In liquidation)	0%	-	0%	-	0%	-	0%	-
12	Airtel DTH Services Tanzania Limited (Liquidated on April 4, 2014)	0%	-	0%	-	0%	-	0%	-
13	Airtel Gabon S.A.	(4%)	(18,635)	(16%)	(6,999)	(3%)	(10,595)	(13%)	(6,083)
14	Airtel Ghana Limited	(7%)	(29,726)	1%	472	(7%)	(28,770)	(28%)	(12,775)
15	Airtel Madagascar S.A.	(2%)	(7,735)	(7%)	(3,206)	(1%)	(4,747)	(3%)	(1,295)
16	Airtel Malawi Limited	0%	(1,699)	(3%)	(1,266)	0%	(1,084)	2%	735
17	Airtel Mobile Commerce (Ghana) Limited	0%	1	0%	-	0%	1	0%	-
18	Airtel Mobile Commerce (Kenya) Limited	0%	0	0%	-	0%	0	0%	-
19	Airtel Mobile Commerce (Seychelles) Limited	0%	-	0%	-	0%	-	0%	-

# Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
20	Airtel Mobile Commerce (SL) Limited	0%	0	0%	-	0%	0	0%	-
21	Airtel Mobile Commerce (Tanzania) Limited	0%	0	0%	-	0%	0	0%	-
22	Airtel Mobile Commerce B.V.	0%	(25)	0%	(8)	0%	(16)	0%	(7)
23	Airtel Mobile Commerce Burkina Faso S.A.	0%	161	0%	177	0%	(138)	0%	(3)
24	Airtel Mobile Commerce Holdings B.V.	0%	1	0%	(0)	0%	1	0%	-
25	Airtel Mobile Commerce Limited	0%	(373)	0%	(132)	0%	(393)	0%	(181)
26	Airtel Mobile Commerce Madagascar S.A.	0%	(408)	0%	(113)	0%	(303)	0%	(118)
27	Airtel Mobile Commerce Rwanda Limited	0%	1	0%	-	0%	1	0%	-
28	Airtel Mobile Commerce Tchad S.a.r.l.	0%	0	0%	-	0%	0	0%	-
29	Airtel Mobile Commerce Uganda Limited	0%	0	0%	-	0%	0	0%	-
30	Airtel Mobile Commerce Zambia Limited (formerly ZMP Limited)	0%	(441)	0%	(133)	0%	(425)	0%	(138)
31	Airtel Money (RDC) S.p.r.l.	0%	(1,588)	(1%)	(486)	0%	(1,045)	(2%)	(880)
32	Airtel Money Niger S.A.	0%	-	0%	-	0%	1	0%	-
33	Airtel Money S.A. (Gabon)	0%	(363)	0%	(42)	0%	(284)	0%	(124)
34	Airtel Money Transfer Limited	0%	-	0%	-	0%	-	0%	-
35	Airtel Networks Kenya Limited	(6%)	(25,083)	7%	2,996	(7%)	(29,732)	(15%)	(7,005)
36	Airtel Networks Limited	(12%)	(52,282)	44%	19,504	(17%)	(65,774)	(37%)	(17,116)
37	Airtel Networks Zambia Plc	(1%)	(2,421)	2%	820	(1%)	(3,028)	(3%)	(1,334)
38	Airtel Rwanda Limited	(2%)	(9,575)	(7%)	(3,034)	(2%)	(6,786)	(5%)	(2,332)
39	Airtel Tanzania Limited	(7%)	(30,365)	(30%)	(13,497)	(6%)	(23,240)	(25%)	(11,541)
40	Airtel Tchad S.A.	(3%)	(11,992)	(7%)	(3,052)	(2%)	(7,895)	(7%)	(3,157)
41	Airtel Towers (Ghana) Limited	0%	(15)	0%	32	0%	(45)	0%	(8)
42	Airtel Towers (SL) Company Limited	0%	(16)	0%	27	0%	(36)	0%	10
43	Airtel Uganda Limited	(2%)	(8,534)	4%	1,727	(3%)	(10,413)	(7%)	(3,030)
44	Bangladesh Infratel Networks Limited	(0)	(0)	0	0	(0)	(0)	(0)	(0)
45	Bharit Airtel (Canada) Limited	0%	-	0%	28	0%	(27)	0%	(3)
46	Bharti Airtel (France) SAS	0%	254	0%	196	0%	47	0%	25
47	Bharti Airtel (Hongkong) Limited	0%	(181)	0%	138	0%	(301)	0%	(18)
48	Bharti Airtel (Japan) Kabushiki Kaisha	0%	(6)	0%	(17)	0%	11	0%	16
49	Bharti Airtel (UK) Limited	0%	545	0%	(111)	0%	634	1%	338
50	Bharti Airtel (USA) Limited	0%	406	1%	587	0%	(177)	0%	50
51	Bharti Airtel Acquisition Holdings B.V. (Liquidated on March 31, 2015)	0%	-	0%	-	0%	-	0%	-
52	Bharti Airtel Africa B.V.	18%	77,253	7%	3,061	18%	70,112	8%	3,546
53	Bharti Airtel Burkina Faso Holdings B.V.	2%	9,152	2%	1,077	2%	7,637	5%	2,453
54	Bharti Airtel Cameroon B.V. (Liquidated on March 31, 2015)	0%	-	0%	-	0%	-	0%	-

# Notes

to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
55	Bharti Airtel Chad Holdings B.V.	0%	361	0%	44	0%	300	0%	5
56	Bharti Airtel Congo Holdings B.V.	1%	6,078	1%	298	1%	5,463	0%	(44)
57	Bharti Airtel Developers Forum Limited	0%	-	0%	-	0%	-	0%	-
58	Bharti Airtel DTH Holdings B.V.	0%	1	0%	(0)	0%	1	0%	(1)
59	Bharti Airtel Gabon Holdings B.V.	2%	8,509	1%	250	2%	7,804	10%	4,400
60	Bharti Airtel Ghana Holdings B.V.	(1%)	(5,801)	(3%)	(1,251)	(1%)	(4,308)	(2%)	(1,060)
61	Bharti Airtel Holdings (Singapore) Pte Ltd	3%	14,547	0%	12	4%	14,831	(1%)	(396)
62	Bharti Airtel International (Mauritius) Limited	49%	207,752	0%	(2)	25%	97,600	0%	(2)
63	Bharti Airtel International (Netherlands) BV	74%	313,972	(38%)	(16,918)	58%	229,206	131%	60,528
64	Bharti Airtel Kenya B.V.	(1%)	(5,278)	(3%)	(1,130)	(1%)	(3,928)	(2%)	(1,002)
65	Bharti Airtel Kenya Holdings B.V.	(1%)	(2,549)	0%	(106)	(1%)	(2,308)	0%	(58)
66	Bharti Airtel Lanka (Private) Limited	(1%)	(4,257)	(6%)	(2,746)	(1%)	(2,148)	(5%)	(2,106)
67	Bharti Airtel Madagascar Holdings B.V.	0%	(904)	0%	(197)	0%	(670)	0%	(174)
68	Bharti Airtel Malawi Holdings B.V.	0%	342	0%	(22)	0%	344	0%	66
69	Bharti Airtel Mali Holdings B.V.	0%	237	0%	-	0%	224	0%	-
70	Bharti Airtel Niger Holdings B.V.	2%	10,498	3%	1,387	2%	8,618	5%	2,120
71	Bharti Airtel Nigeria B.V.	(8%)	(33,021)	(7%)	(3,119)	(7%)	(28,272)	(9%)	(4,111)
72	Bharti Airtel Nigeria Holdings B.V. (In liquidation)	0%	-	0%	-	0%	-	0%	-
73	Bharti Airtel Nigeria Holdings II B.V.	0%	(118)	0%	-	0%	(112)	0%	-
74	Bharti Airtel RDC Holdings B.V.	1%	2,943	3%	1,277	0%	1,584	2%	897
75	Bharti Airtel Rwanda Holdings Limited (formerly Zebrano (Mauritius) Limited.)	0%	194	0%	(3)	0%	186	0%	(5)
76	Bharti Airtel Services BV	0%	(344)	0%	(59)	0%	(270)	0%	(46)
77	Bharti Airtel Sierra Leone Holdings BV	0%	199	0%	137	0%	60	0%	125
78	Bharti Airtel Tanzania B.V.	0%	(1,498)	1%	432	0%	(1,820)	0%	195
79	Bharti Airtel Uganda Holdings B.V.	(1%)	(5,750)	(1%)	(516)	(1%)	(4,949)	(1%)	(644)
80	Bharti Airtel Zambia Holdings B.V.	7%	29,063	2%	999	7%	26,519	12%	5,734
81	Bharti DTH Services Zambia Limited (Dissolved on November 21, 2014)	0%	-	0%	-	0%	-	0%	-
82	Bharti International (Singapore) Pte Ltd	20%	84,513	1%	450	13%	52,924	0%	27
83	Burkina Faso Towers S.A.	0%	-	0%	39	0%	(35)	0%	(0)
84	Celtel (Mauritius) Holdings Limited	1%	2,194	1%	342	0%	1,752	1%	270



# Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
85	Celtel Acquisition Holding BV (Liquidated on March 31, 2015)	-	-	-	-	0%	0%	0%	(0)
86	Celtel Niger S.A.	(1%)	(3,569)	(5%)	(2,205)	0%	(144)	-3%	(1,216)
87	Channel Sea Management Company Mauritius Limited	0%	38	0%	(2)	0%	39	0%	(2)
88	Congo RDC Towers S.p.r.l.	0%	(728)	0%	(159)	0%	(538)	0%	1
89	Congo Towers S.A.	0%	-	0%	45	0%	(41)	0%	(1)
90	Gabon Towers S.A.	0%	(2)	0%	35	0%	(33)	0%	3
91	Indian Ocean Telecom Limited	0%	968	0%	(2)	0%	917	0%	(0)
92	Kenya Towers Limited	0%	-	(2%)	(955)	0%	376	0%	(33)
93	Madagascar Towers S.A.	0%	324	(1%)	(298)	0%	627	0%	(73)
94	Malawi Towers Limited	0%	(1,495)	(4%)	(1,689)	0%	(226)	0%	(124)
95	Mobile Commerce Congo S.A.	0%	1	0%	-	0%	1	0%	-
96	Montana International	0%	(11)	0%	(1)	0%	(9)	0%	(1)
97	MSI-Celtel Nigeria Limited (In liquidation)	0%	-	0%	-	0%	-	0%	-
98	Network i2i Limited.	6%	24,326	9%	3,913	5%	19,245	8%	3,596
99	Niger Towers S.A.	0%	-	0%	37	0%	(34)	0%	1
100	Partnership Investment Sprl	0%	-	0%	-	0%	-	0%	-
101	Rwanda Towers Limited (Sold during March 2015)	0%	-	0%	-	0%	-	0%	154
102	Société Malgache de Téléphone Cellulaire S.A.	0%	153	0%	(2)	0%	146	0%	(2)
103	Tanzania Towers Limited	0%	(30)	0%	24	0%	(61)	0%	(16)
104	Tchad Towers S.A.	0%	(83)	0%	44	0%	(113)	0%	(41)
105	Towers Support Nigeria Limited	0%	(1)	0%	33	0%	(32)	0%	0
106	Uganda Towers Limited	0%	-	(1%)	(271)	0%	(838)	(2%)	(863)
107	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)	0%	-	0%	-	0%	1,253	(1%)	(442)
108	Warid Telecom Uganda Limited	0%	-	0%	-	0%	-	0%	-
109	Zambian Towers Limited	0%	-	(6%)	(2,566)	0%	(224)	0%	(102)
110	Zap Trust Company Nigeria Limited	0%	-	0%	-	0%	-	0%	-
<b>Minority Interests in all subsidiaries</b>		<b>(18%)</b>	<b>(74,465)</b>	<b>(22%)</b>	<b>(9,739)</b>	<b>(17%)</b>	<b>(68,906)</b>	<b>(9%)</b>	<b>(4,270)</b>
<b>Associates (Investment as per the equity method)</b>									
<b>- Indian</b>									
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	-	-	-	0%	-	0%	-
<b>- Foreign</b>									
1	Tanzania Telecommunications Company Ltd (TTCL)	0%	-	0%	-	0%	-	0%	-
2	Seychelles Cable Systems Company Limited	0%	-	0%	-	0%	-	0%	(53)
<b>Joint Ventures (as per proportionate consolidation method)</b>									
<b>- Indian</b>									
1	Indus Towers Limited	12%	48,815	24%	10,586	13%	51,171	19%	8,946

# Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
2	FireFly Networks Limited	0%	(1)	0%	1	0%	(2)	0%	(12)
3	Forum I Aviation Limited	-	-	0%	12	0%	83	0%	6
	- Foreign								
3	Bridge Mobile Pte Limited	0%	43	0%	10	0%	30	0%	8
	Inter Company Elimination/ Adjustments on consolidation		(965,841)		(3,608)		(774,128)		(82,923)
	<b>Net Assets - Consolidated</b>	<b>100%</b>	<b>422,976</b>	<b>100%</b>	<b>44,566</b>	<b>100%</b>	<b>397,770</b>	<b>100%</b>	<b>46,208</b>

\* Includes Airtel Congo B Warid which is merged during the year.

## 50. Effect of Acquisitions / Disposal of Subsidiaries

The effect of acquisition and disposal of subsidiaries during the year ended March 31, 2016 are given below:

(₹ in Millions)

Particulars	Acquisitions	Disposals	
	March 2016	March 2016	March 2015
<b>Balance Sheet</b>			
Equity	(359)	1,986	(680)
Non-current liabilities	440	1,151	1,105
Current liabilities	321	6,524	9,615
<b>Total</b>	<b>402</b>	<b>9,661</b>	<b>10,040</b>
<b>ASSETS</b>			
Non-current assets	157	8,982	9,286
Current assets	245	678	753
<b>Total</b>	<b>402</b>	<b>9,660</b>	<b>10,039</b>
<b>Income</b>			
Revenue from operations	285	2,222	6,097
Other income	1	-	-
	286	2,222	6,097
<b>Expenses</b>			
Employee benefits expenses	9	46	105
Other expenses	276	2,638	3,879
Finance costs	50	1,826	746
Depreciation & amortisation	29	738	2,307
	364	5,248	7,037
<b>Profit before Tax</b>	<b>(78)</b>	<b>(3,026)</b>	<b>(940)</b>

51. Previous year figures in the consolidated financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year's presentation / classification.