

Smart  
**Network.**  
Smarter  
**Experiences.**

Bharti Airtel Limited



 **airtel**

Annual Report 2016-17

# Corporate Information

## Board of Directors

### Mr. Sunil Bharti Mittal

Chairman

### Mr. Gopal Vittal

Managing Director & CEO (India & South Asia)

## Non-Executive Directors

Mr. Ben Verwaayen

Ms. Chua Sock Koong

Mr. Craig Ehrlich

Mr. D.K. Mittal

Sheikh Faisal Thani Al-Thani

Mr. Manish Kejriwal

Mr. Rakesh Bharti Mittal

Mr. Shishir Priyadarshi

Ms. Tan Yong Choo

Mr. V.K. Viswanathan

## Bharti Airtel International Netherlands B.V.

### Mr. Raghunath Mandava

Managing Director & CEO (Africa)

## Statutory Auditors

M/s. S. R. Batliboi & Associates LLP  
Chartered Accountants

## Internal Auditors

M/s. ANB & Co.  
M/s. KPMG

## Cost Auditors

M/s. R. J. Goel & Co.  
Cost Accountants

## Secretarial Auditors

M/s. Chandrasekaran Associates  
Company Secretaries

## Registered & Corporate Office

Bharti Airtel Limited  
Bharti Crescent,  
1, Nelson Mandela Road,  
Vasant Kunj, Phase – II,  
New Delhi – 110 070, India

## Website

[www.airtel.com](http://www.airtel.com)

## Corporate Identification Number (CIN)

L74899DL1995PLC070609



Bharti Airtel Limited is a leading global telecommunications company with operations in 17 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks among the top three mobile service providers globally in terms of subscribers.

In India, the Company's offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services, including national and international long-distance services to carriers. In other geographies, we offer 2G, 3G and 4G wireless services and mobile commerce. Bharti Airtel had over 372 Mn global customers at the end of March 2017.

The information contained in this report can be accessed through the **Airtel Investor Relations app** available on the iPhone and iPad.



For the online version of the Annual Report please log on to <http://www.airtel.in/about-bharti/equity/results/>

## Inside this Report

Global Revenue  [PG 10](#)

# ₹954.7 Bn

Revenue Market Share  [PG 11](#)

# 33.8%


Non Mobile Revenue Share  [PG 11](#)

# 24.3%

**“Telecommunications continued to be an exciting arena. Rapid rollout of 4G data networks, sharply increasing smartphone penetration and fast proliferating mobile applications enabled internet to enter customers’ everyday lives in newer ways.”**

[PG 12](#)



Equity Share Information 

- **Market capitalisation:** ₹ 1,398.89 Bn (March 31, 2017)
- **Proposed dividend:** ₹ 1 per share (Face value ₹ 5)
- **Promoters holding:** 67.14%
- **NSE:** BHARTIARTL
- **BSE:** 532454
- **Bloomberg Code:** BHARTI:IN
- **Reuters Code:** BRTI.NS

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# Delivering smarter experiences globally

Telecommunication continues to be a highly exciting and transformational arena globally. More so, in the emerging parts of the world, where extensive rollout of 3G and 4G data networks, unprecedented rise in smartphone penetration and fast proliferating mobile applications are shaping a highly integrated digital society. Amid this sweeping rate of change, the consumer is the biggest beneficiary. The consumer now has the most empowering device in his or her hand to stay ahead of the curve.

In India, during the year, the industry saw rapid growth, disruption and consolidation at the same time. At Bharti Airtel, we navigated the challenges, with well thought-out strategies and sheer resilience. The result is that we managed to increase our revenue market share, which reached a lifetime high.

At the same time, we continued our aggressive network transformation programme under 'Project Leap'. With 180,000 mobile sites rolled out in the preceding two years, this is one of the largest network rollouts globally. During the year, we also emerged as the only industry player in India, with both 3G and 4G services in all 22 circles.

With the launch of Airtel Payments Bank, we became the first among the licensees to go live in the country. Our wide and deep distribution network will enable us to emerge as a pre-eminent driver of financial inclusion and mobile banking in the country in the coming years.

On the African front, we gained further momentum during the year as Airtel Africa turned Profit before Tax (PBT) positive for the first time. Our strategic initiatives in the continent focused on optimising distribution, elevating network experience for customers and building a rational cost structure. The result was an encouraging financial performance.

Across the countries of our presence, we continue to improve our offerings, systems and processes to provide our customers an experience that is best-in-class. At the same time, our focus on community and sustainability initiatives remains unwavering.

We are competing strongly in the fourth industrial era across parts of the world, while driving progress and prosperity for millions of people.

## With smart network and smarter experiences.







## Leadership

### #1

Ranked telecom operator in India

### #2

Ranked telecom operator in Africa

### #3

Ranked mobile operator globally\*

\*in terms of subscriber base



## Prominence

### 4%

Of the world's population connected through Airtel

### 355.7 Mn+

Mobile subscribers across Asia (India and Sri Lanka) and Africa

### 76 Mn

Wireless data customers across Asia and Africa

### 1.87 Bn+

Addressable population globally, considering the geographies in which Airtel has presence

### 17

Country presence across Asia and Africa

### 22.4 Mn

New mobile subscriptions in India in FY 2016-17



## Progress

### 1.55 Tn

Minutes of voice traffic in 2016-17

### 903 Bn MB

Data traffic in FY 2016-17

### USD 16.1 Bn

Total Airtel Money transaction value in 2016-17



## Commitment

### ₹1,197 Bn

Cumulative contribution to India's government exchequer in the last five years

### ₹2,912 Bn

Cumulative investments till date

### ~ ₹930 Bn

Spectrum investment till date

# Value creation methodology

An aspirational brand that is ready for the future

## Vision

Our vision is to enrich the lives of our customers. Our obsession is to win customers for life by providing an exceptional experience.

## Objectives

Grow market share. Hold cost.



## Values

Alive. Inclusive. Respectful.

## How we will win

### More high revenue (ARPU) customers

Grab increased share of 4G devices

Drive rapid data consumption, accelerate SIM consolidation and accelerate postpaid

### More services per customer

Build the largest Payments Bank by creating differentiation

Accelerate Airtel homes through brilliant service bundling

Drive depth of product portfolio in B2B

### Brilliant customer experience

Eliminate customer frustration across clusters

Deliver a world class network experience

Revamp our stores for improved growth and customer experience

### Win with the Portfolio

Accelerate home broadband, B2B growth, and DTH

Drive new revenue streams through a combination of content, innovation & alliances

### War on waste

Drive down cost through challenging the status quo

Accelerate active sharing, fiber and joint sourcing of bandwidth



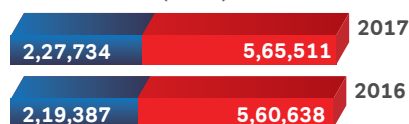
## Product-wise performance



### Mobile Services

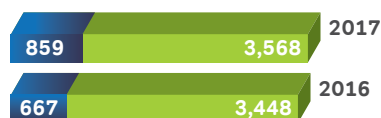
- Bundled plans with unlimited voice packs
- First to launch 4G in India
- Postpaid plans
  - Myplan - customised plans as per customer usage
  - Infinity - Options with unlimited benefits
- Pocket-friendly data packs
- Recognised as the smartphone network

#### Mobile India (₹ Mn)



Y-o-Y Revenues 1% ↑  
EBITDA 4% ↑

#### Mobile Africa\* (USD Mn)



Y-o-Y Revenues 3% ↑  
EBITDA 29% ↑

\* on constant currency,  
15 countries operations



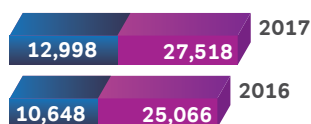
### Homes

#### Landline

- Attractive plans and offers
- Highly reliable services
- 24/7 online support
- Value-added services

#### Internet

- Introduced 'V-Fiber' technology
- Up to 100 Mbps speed

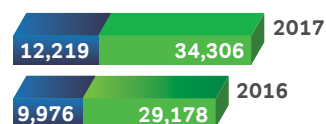


Y-o-Y Revenues 10% ↑  
EBITDA 22% ↑



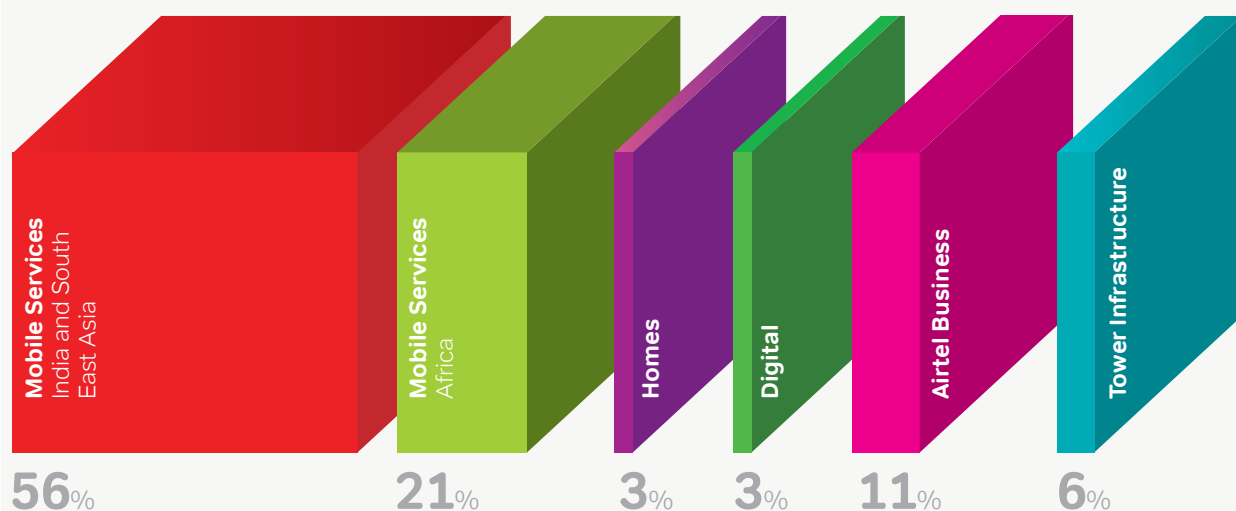
### Digital TV

- Android TV
- Universal Remote
- MyPlan Customised
- Interactive services



Y-o-Y Revenues 18% ↑  
EBITDA 22% ↑

### Revenue Mix FY2016-17

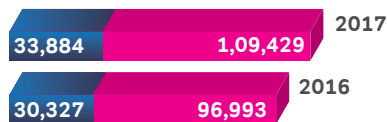






## Airtel Business

- Diverse portfolio of services - voice, data, video, network integration, data centres, managed services, enterprise mobility applications and digital media
- Strategically located submarine cables and satellite network
- Global network running across 250,000 Rkms, covering 50 countries and 5 continents

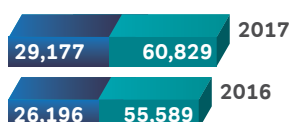


Y-o-Y Revenues **13%** ↑  
EBITDA **12%** ↑



## Tower infrastructure

- One of the world's largest passive infrastructure providers
- Over 90,646 towers (including proportionate share of Indus)



Y-o-Y Revenues **9%** ↑  
EBITDA **11%** ↑

# Strategic roadmap

## Capitalise on huge residual opportunity

### S-Curve on data

- India mobile broadband (3G/4G) penetration at **~20%** (TRAI)
- Smartphone shipments show tremendous growth; smartphone penetration at **24%** (GSMA India)
- Data traffic to grow by a CAGR of **63%** over the period 2015-20 (GSMA India)
- Declining age dependency (UN Estimates)
- Industry consolidation, **top 3** operators account for more than **75%** RMS (TRAI)
- Increased focus towards data and voice evolving as a bundled service

### Emerging opportunities with scale

- Scaling up payments bank, and non-mobile businesses to capitalise on emerging opportunities.

## Diversified portfolio with significant scale

### Profitability and scale across diversified segments

- Dominant position to capitalise with bulk investments in place
- Only operator with a diversified portfolio
- Generating significant organic free cash

### Leadership across geographies

- Leader in India, **#1** or **#2** in **12** African countries

### Leading market shares

- Highest revenue market share and subscriber market share in India

## Team Airtel

### Global team strength

- Won the Aon Best Employer India 2017 Award for innovative people practices. Awarded for achieving high levels of employee engagement, establishing people practices and leadership intent
- Our Teams: India: **18,683** and Africa: **3,928**

## Large-scale investments in place

### Spectrum Bank

- Successful re-farming of sub-GHz spectrum for **3G**
- Pan-India coverage of **3G/4G**
- Highest spectrum market share
- Largest data capacity per site

### Largest network of towers and base stations

- Over 95.3% voice population coverage
- Mobile broadband sites up **61%** over the last year

### Largest network of optic fibre

- Global and national long-distance fibre of over **479,856 RKms**

We will consolidate on our spectrum bank, towers & base stations and optic fibre network to drive future growth sustainably

## Financial flexibility and balance sheet strength

### Strengthening war on waste across geographies

- Consolidated EBITDA is up by **4%** and consolidated EBITDA margins is up **2%** Y-o-Y
- Africa operation turned into a full-year PBT positive (constant currency)
- Airtel Africa revenues grew by **3%** (in constant currency – **15** countries)

### Focused on deleveraging through strategic initiatives in Africa and India

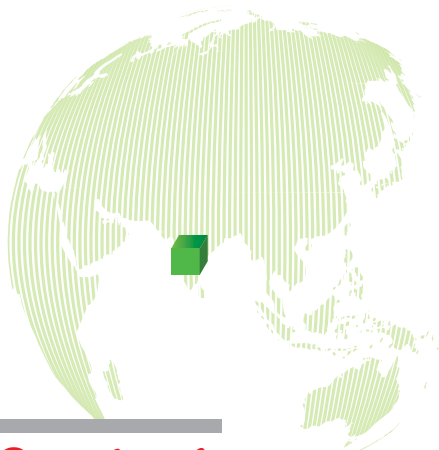
- Realised around **USD 3.1 Bn** in Africa through tower sales and divestment of 2 countries
- Realised **~ USD 1 Bn** with sale of stake in Infratel

# Highlights during the year

## May

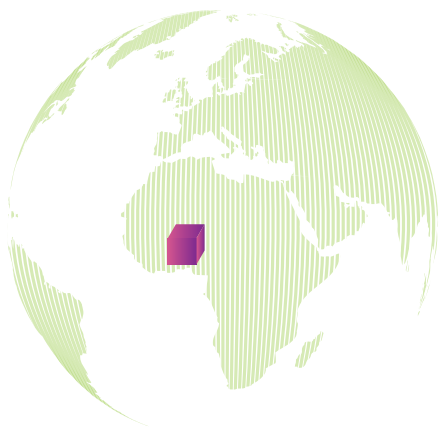


Successfully concluded the acquisition of the rights to use 2 x 5 MHz spectrum in the 1800 MHz Band allotted to Videocon Telecom in six circles



## Quarter 1

April – June 2016



## June



Announced a new initiative – **Open Network** - under Project Leap, our national network transformation initiative



Closed the divestment of our operations in Burkina Faso to Orange

**open**NETWORK

## July



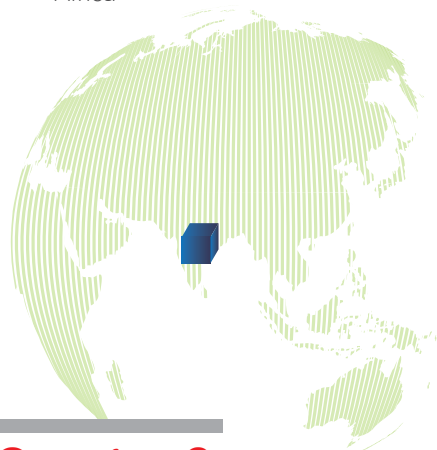
Ranked first in a listing of 100 emerging market multinational companies as part of a study on corporate transparency and reporting by Transparency International



Closed the divestment of our operations in Sierra Leone to Orange

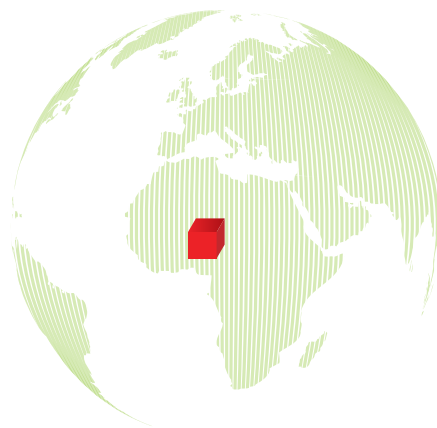


Divested 588 telecom towers in Niger to Helios Towers Africa



## Quarter 2

July – Sep 2016



## September



Divested telecom towers in Niger to Helios Towers Africa



Rolled out e-KYC solutions across India, to enable instant mobile activations



### October

- Fortified spectrum portfolio and bought 108.8Mhz spectrum in the auctions
- Launched 'V-Fiber' to deliver superfast broadband to digital homes
- Re-launched **MyAirtel App** - An App for Apps - section that has a collection of apps under a single interface

### November

- Concluded the acquisition of the rights to use 20 MHz 2300 Band BWA spectrum allotted to Airtel, in all the eight circles
- Announced completion of the merger of subsidiary Airtel Bangladesh Limited with Robi Axiata Limited



## Quarter 3

Oct – Dec 2016



### December

- Airtel Tanzania filed the draft prospectus with the Dar es Salaam Stock Exchange on December 30, 2016 for its initial public offering
- Entered into a definitive agreement with Orascom to acquire Orascom's entire equity stake in the Middle East North Africa Company Submarine Cable Systems S.A.E.

### January

- Airtel Payments Bank became the first payments bank in the country to go LIVE as it rolled out services nationally

### February

- Announced free incoming calls/SMS and zero additional data charges on national roaming
- Entered into a definitive agreement with Telenor South Asia Investments Pte Ltd to acquire Telenor India

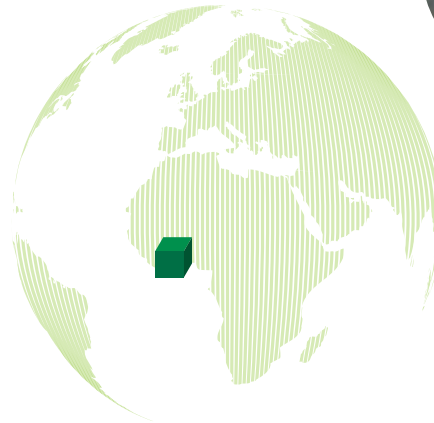
### March

- Airtel rated as India's fastest mobile network by Ookla
- Entered into a definitive agreement with Tikona to acquire 4G Business, including 100mhz spectrum in BWA 2300Mhz band and 350 sites in five telecom circles
- Wynk Music crossed the mark of 50 Mn app installs.



## Quarter 4

Jan – Mar 2017



### March

- Completed the secondary sale of over 190 Mn shares of Bharti Infratel Limited, representing a 10.3% stake, to a consortium of funds advised by KKR and Canada Pension Plan Investment Board
- Airtel and Millicom International Cellular S.A. signed an agreement to combine their operations in Ghana through their respective subsidiaries

# Financial Highlights

Operating Highlights	Units	Financial Year Ended March 31				
		IFRS			Ind AS **	
		2013	2014	2015	2016	2017
Total Customer Base	000's	271,227	295,948	324,368	357,428	372,354
Mobile Services	000's	259,844	283,580	310,884	342,040	355,673
Homes Services*	000's	1,616	1,654	1,679	1,949	2,129
Digital TV Services	000's	8,100	9,012	10,073	11,725	12,815
Airtel Business*	000's	1,667	1,702	1,732	1,714	1,736
<b>Consolidated Financials (₹ Mn)</b>						
Total revenues	₹ Mn	769,045	857,461	920,394	965,321	954,683
EBITDA (before exceptional items)	₹ Mn	233,340	278,430	314,517	341,682	356,206
Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items)	₹ Mn	195,643	241,813	285,280	289,083	283,668
Earnings Before Tax	₹ Mn	47,853	78,643	107,130	128,463	77,233
Net Profit	₹ Mn	22,757	27,727	51,835	60,767	37,998
<b>Consolidated Financials (₹ Mn)</b>						
Shareholder's Equity	₹ Mn	503,217	597,560	619,564	667,693	674,563
Net Debt	₹ Mn	583,567	605,416	668,417	835,106	913,999
Capital Employed	₹ Mn	1,086,784	1,202,976	1,287,981	1,502,799	1,588,562
<b>Key Ratios</b>						
Capex Productivity	%	69.12	72.91	77.40	69.89	65.34
Opex Productivity	%	45.43	45.20	43.79	42.90	41.87
EBITDA Margin	%	30.34	32.47	34.17	35.40	37.31
EBIT Margin	%	11.08	14.22	17.23	17.22	16.42
Return on Shareholder's Equity	%	4.51	5.04	8.52	9.44	5.66
Return on Capital employed	%	5.68	6.65	8.05	8.32	6.45
Net Debt to EBITDA	Times	2.51	2.19	2.08	2.46	2.66
Interest Coverage ratio	Times	6.79	7.58	8.43	7.06	5.20
Book Value Per Equity Share	₹	132.51	149.49	154.99	167.03	168.77
Net Debt to Shareholders' Equity	Times	1.16	1.01	1.08	1.25	1.35
Earnings Per Share (Basic)	₹	6.00	7.02	12.97	15.21	9.51
<b>Contribution to Exchequer (India)</b>						
Taxes, Duties, Fees and other Levies	₹ Mn	141,513	213,324	237,688	284,215	319,814

\* Effective FY 2016-17, the Company has realigned the reporting of its Corporate fixed line voice and fixed line data business with Airtel Business and accordingly Telemedia Service renamed to Homes services. Hence, the customer base of 'Broadband and Telephone Services' is now represented as 'Homes' and 'Airtel Business'.

\*\* With effect from April 01, 2016, the Company has applied Ind AS for the preparation of its financial statements. The transition is carried out from accounting principles generally accepted in India with the transition date being April 01, 2015.

All figures are based on Consolidated Financial Statements.

## Growth Despite Challenges

### EBITDA Growth

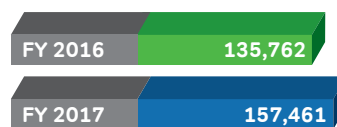
₹ Mn



Growth 4% ↑

### OFCF Growth (Operating Free Cash Flow)

₹ Mn



Growth 16% ↑

## Strip Out Waste

### Reducing Costs

₹ Mn



Growth (4%) ↓

### EBITDA Margin

%



Expansion 192bps ↑

## Accelerate Non-Mobile Businesses

### Non-Wireless Revenue Share\*

%



Revenue Growth 12%

EBITDA Growth 14%

## Strengthening Market Position

### Increasing Revenue Market Share

%



Absolute Growth 2.3% ↑

### Contributing to 56% incremental EBITDA between 2016-2017

\*Non-Wireless includes DTH, Homes, Airtel Business and Tower Co; post eliminations

India and Africa churn under control.

Total customer base increased by 22.4 Mn in India.



# Message from Chairman



**“Telecommunications continued to be an exciting arena. Rapid rollout of 4G data networks, sharply increasing smartphone penetration and fast proliferating mobile applications enabled internet to enter customers’ everyday lives in newer ways. ”**

## Dear Shareholders,

The global economy regained some of the lost momentum during the year. While major economies benefitted from improving global demand, commodity exporting countries recovered on the back of a spike in commodity prices. Our Company experienced mixed outcomes in our key markets in Asia and Africa.

India, despite going through bold but disruptive demonetisation drive, experienced a reasonably good year with economy maintaining its growth momentum, outshining several of its emerging market peers. However, Africa continued to experience sluggishness in its growth rates, and adverse currency movements further aggravated the business performance across industry sectors.

Telecommunications continued to be an exciting arena. Rapid rollout of 4G data networks, sharply increasing smartphone penetration and fast proliferating mobile applications enabled internet to enter customers’ everyday lives in newer ways. The amazing pace of change was particularly visible in emerging markets like India that are currently in the middle of a giant leap towards 4G. This massive transformational change has catapulted customers’ mobile experience to a new high. The mobile phone has become the most powerful, empowering and transformational device. To be able to stay ahead of the curve during this fourth industrial revolution, your Company continues to digitise itself each day – its offerings, systems, processes, customer centricity.

India witnessed unprecedented market disruption following the entry of an extremely well-capitalised and aggressive new operator. Its prolonged free trial offers created massive pressure on industry revenues and margins.

## 180,000

Mobile sites rolled out in the past 2 years, this is one of the largest network rollouts globally

## 27,000+

Our flagship program in Africa, “Adopt-a-School” currently reaches out to over 27,000 children in 56 schools.

## **“The year witnessed considerable strengthening of our spectrum footprint both through buying at the latest round of auction and inorganic acquisitions.”**

Airtel on its part navigated this extraordinary challenge with a well thought out strategic action plan and of course, sheer resilience. Amidst this massive industry shake-up, we managed to increase our revenue market share; to reach a lifetime high. Many small operators lost their bearings under the intense onslaught and consequently prepared to exit the market. The shake-up also triggered an industry wide consolidation process, which we believe could prove beneficial for the market in the long run.

The year witnessed considerable strengthening of our spectrum footprint both through buying at the latest round of auction and inorganic acquisitions. Besides completing the acquisition of spectrum from Videocon and Aircel in fourteen circles, we also entered into definitive agreements to acquire Telenor India and Tikona Digital Networks. With these acquisitions Airtel became the only operator in the country to have a robust pan India 2G/3G/4G spectrum footprint.

Our aggressive network transformation programme continued under ‘Project Leap’ during the year. With 180,000 mobile sites rolled out in the past 2 years, this is one of the largest network rollouts globally. Proactive rollouts during the year made Airtel the only operator in the country with 2G, 3G and 4G services in all 22 circles. With the launch of Airtel Payments Bank we became the first among the licensees to go live in the country. Early days of the bank are encouraging and with our deep distribution network, I expect the Bank to be a pre-eminent driver of financial inclusion and mobile banking in the country in the coming years.

Strategic consolidation of telecom assets remained an unmistakable underlying trend in emerging markets. While the transactions to divest tower assets in DRC and Niger and sale of Airtel's operations in Burkina Faso and Sierra Leone finally reached closure in Africa, we also completed the merger of Airtel Bangladesh with Robi-Axiata during the year. Additionally, we entered into an agreement to combine our operations in Ghana with Tigo to create the second largest operator in the market.

Operational turnaround in Africa gained further momentum during the year as Airtel Africa turned Profit before Tax (PBT) positive for the first time. Our strategic initiatives focused on distribution optimisation, network excellence and cost management resulted in resilient financial performance. As expected, Data continued to be a key driver of incremental growth in Africa.

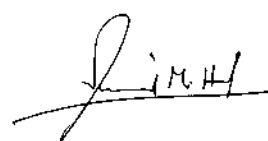
Our reputation in terms of adherence to the highest standard of corporate governance and transparency received wide acclaim during the

year when Transparency International ranked Bharti Airtel first in its list of 100 emerging market multinationals on corporate transparency and reporting.

Our philanthropic arm Bharti Foundation's Satya Bharti School Program completed 10-years of operation during which it has successfully expanded the ambit of its operation through multiple initiatives focused on education for rural underprivileged children. The Program is currently reaching out to nearly two lakh rural children across 12 states through these initiatives. Besides its core education programs, the Foundation also strengthened its other philanthropic initiatives during the year; Satya Bharti Abhiyan (rural sanitation), Nyaya Bharti (legal and financial aid for underprivileged under trials). We also witnessed significant expansion in Airtel Africa's philanthropic initiatives in the areas of school education, health, youth training and empowerment. Our flagship program in Africa, “Adopt-a-School” currently reaches out to over 27,000 children in 56 schools.

I am pleased to inform you that 2016-17 turned out to be a memorable year for me personally, as I entered into two major global roles - Chairman of International Chamber of Commerce (ICC) and Chairman of GSMA. While ICC headquartered in Paris, is one of the world's oldest and most respected business organisations promoting the cause of global business and trade at various global forums, GSMA headquartered in London is a strategic global organisation representing nearly 800 global mobile operators and more than 300 companies in the broader mobile ecosystem. It also organises Mobile World Congress in Barcelona, Shanghai and San Francisco.

Telecoms lie at the heart of today's increasingly digital society and economy. As new generation of technologies and application innovations take root and industry structure get reshaped under competitive pressure, operators will come across new operational challenges, and more importantly opportunities. With our robust spectrum portfolio, competitive position and management bandwidth, we are well placed to take advantage of this rapidly changing environment to strengthen our leadership position even further.



Sunil Bharti Mittal

# Message from Managing Director & CEO

## (India and South Asia)

### Dear Shareholders,

FY 2016-17 has been an eventful year. The entry of a new player in the industry triggered rapid consolidation. While the industry witnessed a de-growth in revenues, Airtel increased its market share across most circles. Airtel was also ranked as the 3<sup>rd</sup> Most Trusted Brand in India (#1 in Telecom) across industry sectors such as E-commerce, Online Services, FMCG and Financial Institutions. This success was made possible by rigorous execution of our strategy.

**Go to Market excellence:** We drove several new initiatives to drive market excellence this year. We launched instant mobile activations through e-KYC. We also rolled out a new retailer application - Mitra App which enables recharges and acquisitions through a single platform. With over 3.5 lac biometric devices, Airtel's acquisition and recharge platform has become one of the biggest digital transaction platforms in the country. In addition, recognising the need to grab higher share of 4G devices, we implemented solid innovations to build our share of 4G. Further in November 2016, we were the first to successfully launch Payments Bank – in line with the Government's vision of financial inclusion. We leveraged our strong distribution backbone to create a strong ecosystem of Customers, Banking Points and Merchants leading to creation of more than 1,000 cashless villages across the country.

**Brilliant Network Experience:** One of the most important foundations upon which we deliver services to our customers is our network. We continued network investments under 'Project Leap'. 180,000 mobile sites were rolled out in past 2 years, making it one of the largest network rollouts globally. We doubled our transmission capacity and increased mobile backhaul capacity by eight times. Overall we are proud to be the only company currently with 2G, 3G and 4G services in all 22 circles. In our effort to substantially improve the network experience, we continued our Open Network campaign and single-mindedly worked to eliminate customer frustration through the year.

**Valuable Customers:** We worked pro-actively on multiple fronts to gain valuable customers. We invested and upgraded more than 70% of our broadband customers to 40-100 mbps speeds through the new V-Fiber technology. We also made our postpaid proposition more attractive by widening our store footprint, family proposition and simplifying national and international roaming to prevent bill shocks. One of the most innovative actions we took towards the end of this year was to launch the new Airtel Internet TV (Powered by Android) - preloaded with Netflix, YouTube, Google Play Games, airtel Movies along with an inbuilt TV cast option.



**War on Waste:** We continued our emphasis on increasing productivity and reducing waste within our business. In the past three years, we had cost saving targets for ourselves and we have been able to meet them successfully. This is demonstrated by the fact that our Opex grew by only 4% this year versus 6.2% last year.

**People:** As an organisation we are highly committed to ensure growth and well-being of our people. Based on feedback from our annual people survey this year, we organised the first ever 'Airtel Careers Fair' to help employees take charge of their own careers and find a sustainable future within the Company.

As an organisation we continue to be committed to sustainable and inclusive growth. We have launched our fourth sustainability report this year, which encapsulates our initiatives on adoption of green technology aggressively. Bharti Foundation, with full support from our employees, has been doing remarkable work in engaging parents and the community to spread awareness of education and empowerment of Girl Child. These initiatives have made our corporate citizenship more meaningful.

As we look ahead, we expect an exciting but turbulent year – consolidation will continue and the new entrant will continue to disrupt the market. Internally, we view this as a once in a lifetime opportunity to grow market share. We strongly believe in exciting possibilities of our future driven by rapid digitisation and explosion of value-added adjacent services. We are determined to drive this change despite the competitive headwinds.

As we move ahead and embark into a new era of telecom in the country I would like to thank our customers, our people, our partners and our shareholders for their support and faith in us. We seek your continued guidance in our journey.

Gopal Vittal

# Message from Managing Director & CEO (Africa)

## Dear Shareholders,

FY 2016-17 turned out to be a reasonably good year for us in Africa despite significant environmental challenges. The year witnessed a gradual strengthening of our key operational metrics in different markets providing further momentum to our turnaround plan.

Our strategic considerations revolved around achieving distribution excellence, ensuring excellent overall network quality and enabling existing customers to garner more benefits from the networks. We also focused on optimising operations and developing our internal capabilities. Our initiatives have resulted in our operations delivering a positive PBT (Profit Before Tax) during the 2016-17 financial year (constant currency), for the first time ever.

During the course of the year, we have been diligent with respect to our attention towards Operational Excellence and Cost Management. Emphasis on running our operations efficiently and managing costs effectively have yielded results. Africa's underlying revenues grew by 4.4% in constant currency, with net revenues up 5%. Against the backdrop of revenue growth, the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the financial year 2016-17, saw a growth of 36% with margin expanding by 500+ basis points on an underlying basis (constant currency).

Some milestones over the period include:

- Completion of the sale of the Airtel operations in Burkina Faso and Sierra Leone to Orange with full regulatory approval.
- Divestment of telecom towers in the Democratic Republic of Congo (DRC) and Niger to Helios Towers Africa.
- Airtel and Millicom signed an agreement to combine their operations in Ghana through their respective subsidiaries, Airtel Ghana Limited and Tigo Ghana Limited. As per the agreement, Airtel and Millicom will have equal ownership and governance rights in the combined entity.

Our emphasis has been to simplify our product offerings and accelerate growth through an enhanced customer experience. Consequently, our subscriber base increased by 7.2% over the previous financial year, taking the total to 80.1 Mn. Our on-going focus on acquiring quality customers resulted in lowering customer churn as well.

Data is a powerful growth vehicle and a key focus area for us. Continuous upgradation in our networks along with aggressive data bundle have resulted in growing our data consumption by 95% and revenues by 23.5%.



We also redesigned our distribution infrastructure to facilitate better reach and growth of Airtel Money. The Airtel Money service has been augmented by introduction of Microloans and International Money transfer facilities in 6 countries.

We continued to position Airtel as "The Smart phone Network" in Africa through our pan African services. Airtel was rated amongst the top 10 most admired brands in Africa in 2016-17 by Brand Africa.

People remain our most important asset at Airtel Africa. We continued to focus on improving ways of working, strengthening our talent and leadership in the commercial function and further developing key functional competences. We further worked toward ensuring that the organisation structures in HQ and OpCos are aligned and geared for effective commercial execution. During the year we have also reiterated our commitment to give back to the wider community through our CSR interventions in different markets.

I would like to take this opportunity to sincerely thank all our valued stakeholders - customers, shareholders, government bodies, business partners and employees for their unstinted support during the year. We remain firmly committed to usher in the benefits of the global voice and data revolution to our customers across the 15 countries that we operate in within Africa.

We are well positioned to continue our growth into 2017-18 in both subscriber addition and revenue, and will continue being guided by the strategic imperatives of distribution excellence, customer experience, network excellence, right cost model and the people development. I look forward to the upcoming fiscal year with great optimism and purpose.

Raghunath Mandava



# Smart network unveils an evolved way of life

We believe a society that is more technologically integrated is naturally more progressive. We are committed to providing our customers a brilliant network experience; and as a part of that commitment, we are continuing our investments to build an all-encompassing future-ready network with speed and precision.



## ○ Network Rollout – Project Leap

The total investment commitment for the project is to the tune of ₹ 60,000+ crore. The phased rollout of the project entails meticulous planning and smart execution. We are driven by the aspiration to be the most preferred smartphone network; and a compelling choice for customers across multiple attributes of coverage, capacity and network experience.

During the year, the execution of Project Leap required a seamless partnership with vendors. Most of the sites planned were mobile broadband sites and required robust internet backbone through optical fiber. The entire spectrum of activity, including radio and transport planning, installation, fiber availability, media readiness had to be done in a very closely coordinated manner across India.

Every city and circle was divided into small clusters, implementing a targeted approach for every cluster. With focused teamwork and real-time course correction, we could roll out 180,000 sites in two years, thereby doubling our network.





## India's fastest network

This mega investment on network and focus on cluster-wise network quality has helped Airtel to create a best-in-class customer experience. Ookla, the global leader in broadband testing and web-based network diagnostic applications, has rated Airtel as India's fastest mobile network. Ookla's findings are based on an analysis of millions of internet speed tests logged on 'modern devices' by mobile customers across India, using its popular Speedtest app. The results include all mobile tests, regardless of connection technology.

### Here are our achievements of FY 2016-17:

#### 90,000 sites

Deployed 90,000 sites  
(80% of these sites were high-speed broadband sites)

#### 3G

##### 71% population

Launched 3G in all circles, spanning over 71% of the population

#### Broadband

7,600 towns  
460,000 villages

Rolled out high-speed broadband across 7,600 towns and 460,000 villages

#### Platinum 3G

Launched platinum 3G on 900 MHz in Mumbai, Kolkata, Andhra Pradesh, North East States and Assam, Karnataka and Punjab for world-class indoor experience

#### 4G

Launched 4G services in all circles

#### Upgrades

Modernised existing networks, replacing the legacy equipment with smaller, better and more efficient new equipment

#### Fiber Backbone

Created a powerful backbone for data and internet services in addition to voice with 40,000+ kilometre of incremental fiber rolled out last year, leading to over 450,000 km of domestic and international fiber

#### Transport Network

Facilitated extensive upgrade of the transport network with IP-fication of over 50% of regional network and forklifting the capabilities to 100 Gbps carriage; this ensured that multi-fold growth of traffic from both business and retail customers is handled with ease



## Enabling best-in-class customer experience

Airtel network has now become truly heterogeneous. From the convergence of two technologies and three layers, we have moved to four technologies and six layers, making the network very complex.

As customers now have to traverse across technologies and layers, maintaining and improving the network experience becomes a challenge. To tackle this, Airtel focuses on real-time optimisation through Self Optimisation Network (SON) and Geo analytical tools.

Deployment of Self Optimisation Network (SON) enabled automation of network optimisation to ensure availability of resources as per user demand. It has enabled dynamic configuration of the network for seamless handovers in 3G and 2G network, thus enhancing the customer experience significantly.

Real-time balancing of network load across congested and non-congested sites have reduced overloading, thus improving user throughputs and blocking the network. Real time optimisation has improved network utilisation, thus improving efficiency of the available spectrum and network capacity.

Geo analytical tools have enabled us to pioneer customer demand centric network planning and densification by getting visibility of the network consumption on granular 50m x 50m grid. It has helped ensure the deployment of new sites, small cells in corridors of high consumption, thus improving efficiency of new deployments.

## We are open to our customers

Airtel has been the first to launch the Open Network initiative to empower our customers and make them part of the journey. Through this initiative, the entire network information, including coverage, site details and signal strength is being made available to customers. Any customer can get information about signal quality in his/her area; and the sites he/she is served from. Customers can also log a complaint, which is based on their geographic location. This portal also enables customers to help Airtel with leads to erect towers.





## Proactive Performance Management

Airtel has embarked upon a journey of continuous improvement of network quality, driven by customer perception. The entire country has been divided into small clusters with clear owners. The focus has shifted from reactive to proactive performance management. This approach to network quality has led to the reduction of call drops, blocking and slow browsing.

## V-Fiber

We rolled out V-Fiber technology, offering super-fast internet services during 2016-17. V-Fiber is based on Vectorisation – Europe's No. 1 fixed broadband technology – and will deliver speeds of up to 100 Mbps. V-Fiber is a unique combination of fiber and Vectorisation technology that delivers super-fast speed. This translates into faster downloads, less buffering, and an

ultra-reliable Wi-Fi connection for all devices in your home.

This is a green technology and there is no new wiring or drilling required at an existing customer's premises. One simply needs to upgrade to a new 'V-Fiber' modem.





## ○ Homes now offer more than you can imagine

New-age homes are smarter. Like the city, homes are being reshaped by future-ready networks and a plethora of connected objects. At Airtel, we are leading the way. Come in for a visit to see for yourself. If, by any chance, you are out of home, you still have more freedom with Airtel.

### 'myHome Rewards'

Airtel's 'myHome Rewards' programme provides free additional data benefit of 5GB per month for every other Airtel service connection – postpaid mobile or digital TV (DTH) – within the home or family. Customers can avail this exciting offer for their existing as well as new Airtel postpaid mobile and digital TV connections. Therefore, if an Airtel broadband home has two Airtel postpaid mobiles and one Airtel digital TV connection, then 15 GB free additional data will be added to their broadband account every month.



### Airtel 'Internet TV'

Growing broadband penetration is driving the popularity of online content, particularly in urban homes. Video streaming services like Netflix, Amazon Prime Video, HotStar have brought about a paradigm shift in how people watch television. Media industry experts say that even consumers who watch online content want to watch it on the big screen; while web content is popular, a big screen is desirable.

Hence, we rolled out India's first Hybrid DTH Set-top box, powered by Android TV. It brings the best of online entertainment to the TV screen, along with a bouquet of 500+ satellite TV channels.



Airtel 'Internet TV' transforms any TV into a Smart TV and enables users to switch seamlessly between online and linear TV content. 'Internet TV' comes with inbuilt-Wi-Fi receiver, and blue tooth remote with Google voice search feature. It also supports Play-Pause Live TV, USB media playback, and has built-in chromecast functionality. Gaming enthusiasts can make the most of the internet TV with the best of gaming apps for an experience that is truly larger than life.

With this innovative product, we have established a new product category in media and entertainment industry. Airtel Internet TV is a product for digital homes; and it would help both DTH and broadband business to offer differentiated services to our customers. We have a unique opportunity to shape this new category and establish ourselves as pioneers.



## ○ Roaming is more fun now

### National roaming

At Airtel, we are providing free national roaming service from April 1 2017. Airtel customers roaming within India will enjoy free incoming calls or SMSes; and there will be no premium on outgoing calls, allowing them to speak freely, wherever they are within the country. Also, there will be no additional data charges on national roaming.

### International roaming

We also launched our new International Roaming (IR) packs that strengthen the value proposition for customers travelling abroad. With the new IR packs, customers will have the convenience of carrying their mobile number of India wherever they go and stay connected 24x7 without having to worry about high call and data charges. The packs will be available to both postpaid and prepaid customers.

Our new IR packs offer free incoming calls, free texts to India and ample data benefits, along with free India calling minutes across popular destinations. Now customers do not have to think twice before taking calls or calling their loved ones back home from their Airtel mobile when travelling overseas.





## Enterprises and customers are now seeking more value in their connected lives

The nature of our business puts us in the heart of the digital revolution that is transforming enterprises and daily lives of customers. Our role is to be a trusted partner in this entire universe of change. We offer powerful networks, specialised applications and efficient collaborative work tools, all backed by proven cyber-security expertise.



### Airtel Business

Our global business, the international arm of Airtel Business, offers an integrated suite of global and local voice, data, cloud and digital solutions to a wide range of customers globally. Airtel Global Business is engineered for speed and dedicated to delivering tailored solutions for our customers. This remarkable outcome is the result of operating with agility, transparency and execution excellence. We help our customers operate efficiently and serve their customers better, connecting their people, locations and machines securely and reliably.

**Global partnerships and geographic footprint:** More than 1200 leading global carriers repose their trust in us. Supporting these large companies takes strong benchmarked processes, a seamless network and a team qualified to serve across borders, languages and varied infrastructure. Our global network runs across 250,000 Rkms, touching 50 countries and 5 continents. This



year we took a step further to our commitment of providing seamless network globally by adding new Point of Presence (PoPs) in Oman, South Africa, and Kenya. These locations are strategically aligned to our long-term goals; and we look forward to further strengthening our global footprint.

#### Leveraging emerging markets:

We are connecting India's neighbouring emerging markets of Nepal, Bangladesh, Bhutan, China, Pakistan with Myanmar as the latest destination in the series, via high capacity terrestrial networks.



We now carry an estimated 50% of the data requirement in the growth markets of SAARC region, including Nepal, Bangladesh, Bhutan and Sri Lanka. We serve a combined population of over 270 million; and making India an IP hub in the region. All the strategic investment in the region has led to successfully devising flexible and effective commercial programmes for network. In addition, this has ensured better latency and stronger resiliency in connecting these markets to regional networks.



New and diverse range of offerings include but not limited to:

- **Global messaging Suite** enables simplified and secure interconnection across a worldwide mobile ecosystem to deliver high quality one-way and two-way SMS and to monetise A2P (app to person). The messaging suite is the outcome of a unique partnership model, based on industry collaboration, achieved through alliances with major global carrier groups, enabling a robust and wide reach of delivery network. The capability has been coupled with a comprehensive suite of platform features, including firewall protection.
- **Mobile VAS solutions** enable our customers to leverage the strength of Airtel's domestic strength of over 270 million consumers. This platform provides content companies an opportunity to convert potential users to buyers,



who lack credit card and willing to consume content related services like mobile games, music and other services, via their Airtel subscription.

- **Satellite Services** provide fiber-like connectivity with 12 x Higher Throughput and 4x Lower Latency (<150 ms). The solutions provided to customers are cost-effective, easy to deploy, and provides advanced connectivity to remotest of areas to equip customers with disruptive future-ready satellite technology.



- Other diverse range of services and solutions like toll free services, enterprise messaging manager, data centre and cloud services significantly enable Airtel to engage with growing number of customers better and address their real requirements to offer more products per customer.

# New-age banking – digital and inclusive

At Bharti Airtel, our objective is to widen the spread of payment and financial services to millions of customers, including small businesses, low-income households, migrant labour workforce in a secured, affordable, convenient technology-driven environment.

This philosophy is in line with the Government's vision of a digitally empowered and inclusive India, with a less-cash dependent economy and enhanced transparency. Conventional brick-and-mortar banking is passé, welcome to a smarter way to bank.



Airtel Payments Bank, India's first payments bank, commenced nationwide operations on January 12, 2017 and is a completely digital and paperless bank.

The bank aims to take basic banking services to the doorstep of every Indian by leveraging Airtel's vast retail network in a quick and efficient manner. Over 500,000 Airtel retail outlets act as Banking Points and offer basic banking services such as account opening, cash deposit and cash withdrawal, at a neighbourhood location for every Indian. Majority of these banking points across states are in rural areas, helping in extending the reach of services to unbanked regions.

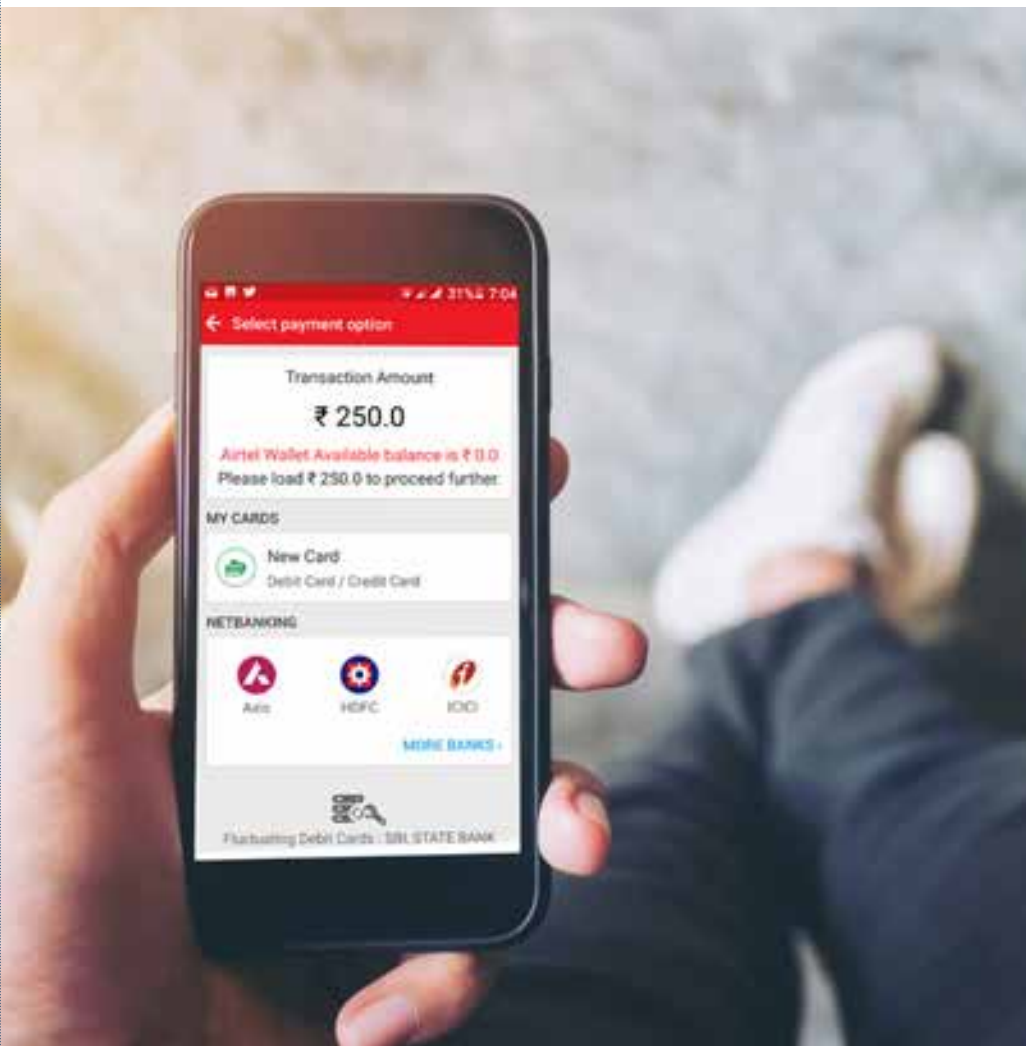
Airtel Payments Bank is a joint venture between Bharti Airtel and Kotak



Mahindra Bank with each holding 80.1% and 19.9% stake respectively. Kotak Mahindra Bank's expertise in banking products and technology will help Airtel Payments Bank define its products and processes well.

Being integrated with Bharti Airtel allows Airtel Payments Bank to gain scale, distribution and differential benefits, compared to other wallets or telecom companies. Airtel believes that there is a massive opportunity to serve the unbanked and contribute to the growth of digital payments and transactions as envisioned by the government of India. Given Airtel's vast distribution and brand trust, we believe we are strongly positioned to provide convenient banking to customers and hence, are committed to offer its services to the entire customer base.





### Roll-out strategy

- We are leveraging our existing base of over 270 Mn customers to popularise the benefits of digital payments and open Airtel Payments Bank accounts
- We are developing a nationwide merchant ecosystem of partners, including small kirana stores, grocers, pharmacies and restaurants, among others. These merchant partners will accept digital payments from Airtel Payments Bank customers over mobile phones. We have also launched a Merchant App for digital on-boarding of partners.
- With Airtel Payments Bank, unorganised merchants are not being charged for digital payments, thus promoting digital payments at smaller mom and pop and neighbourhood shops.
- To discourage cash usage, a minimal cash withdrawal fee (around 0.65% per transaction) is being levied, so that customers prefer digital payments over cash payments.

### Wide spectrum of innovative and convenient services:

- Digital Banking: Quick and paperless account opening using Aadhaar based e-KYC. This requires no documents at all, only the customer's Aadhaar number is needed.
- The customer's mobile number will be his/her bank account number.
- Interest rate of 7.25% p.a. on deposits in savings accounts, one of the highest in India.
- Money transfer to any bank account in India (Free money transfer from Airtel-to-Airtel numbers within Airtel Payments Bank).
- Free Personal Accidental Insurance of ₹ 1 Lac with every savings account.
- Easy deposit and withdrawal facility across a wide network of Airtel retail outlets.
- USSD (by dialling \*400#) and through IVR in 12 vernacular languages for non-smartphone customers.
- An online debit card in partnership with MasterCard to enable payments on all ecommerce websites
- Aadhaar enabled bank accounts to receive government benefits and subsidies through direct benefit transfer (DBT)

**500,000**

**Current network Airtel retail stores, which also function as banking points.**

**More than the total number of ATMs in the country.**

**2 million+**

**Merchants have already been onboarded across India.**

**We plan to build a digital payments ecosystem with over 3 million merchants.**

**70%**

**Accounts opened in rural/unbanked areas, contributing to financial inclusion**

# Africa is making its voice heard in a smarter world

Yes, Africa is in step with the global voice and data revolution that unveils immense possibilities. The region has abundant natural resources, growing economies, strong focus on democracy and governance; and what's more important is that it is the world's youngest continent. As one of the top 10 most admired brands in Africa, Airtel is acting as a change agent for the continent of new hope.

Across the 15 countries in Africa, where we operate, we focus on optimising distribution excellence, enabling existing customers to garner more benefits from the network and ensuring excellent overall network quality. At the same time, our overall operations are now more efficient and our internal capabilities are enhanced.

## Network transformation

### Network modernisation

- **U900 and long-term evolution (LTE):** We began extending the U900 and LTE launches in 10 Airtel Africa operating companies (OpCos) to expand and strengthen data coverage and throughput.
- **Evolved Packet Core (EPC) and Charging:** One common packet core network for 3GPP radio access (LTE, 3G, and 2G) was rolled out across Africa. This enabled higher throughput, lower latency and seamless mobility between networks, enhanced service control and efficient use of network resources. Moreover, simplified charging platform allows differentiated and personalised service offerings to customers.

- **Circuit Switched (CS) Core:** We modernised the circuit switched (CS) core network and created a simplified and more efficient CS network. This will enhance service efficiency for 2G/3G and VoLTE and wifi calling among others; and also support emerging technologies.

### Node Virtualization (NFV)

First ever Virtual SBC Node was deployed in Airtel Africa in Madagascar and the Republic of the Congo. Network Virtualization will enable Airtel to add more services on the same platform, which will help reduce the hardware footprint, resulting into better Opex productivity and faster go to market.

### Expanding global connectivity with new point-of-presence (POP) in Singapore and Paris

We introduced additional international gateways (in Singapore and Paris) for Africa, providing resilience to earlier single gateway in London, ensuring seamless data connectivity. This enables us to offer customers better network experience, with reduced data latencies and improved voice quality.

### Content Localisation

We enhanced customer experience and higher data speed realisation through local content distribution network (CDN) peering and caching improvements in all OpCos across Africa by partnering with Google and Facebook.



## ○ True Smartphone Network

- We are driving data through exciting bundles, with the key result of having the most relevant and best value offer for high-data consuming smartphone users.
- Driving customer growth through the launch of social media bundles, targeting the youth segment and campaigns across the base, targeting non-users to convert.
- Increase digital presence through tie ups with online platforms to increase and maintain associations with all key smartphone brands both at entry as well as premium category – by way of reverse bundling.
- Improve data experience, supported by the launch of U900 and 4G in key markets.
- Content based propositions will be key focus in the coming year – TV on mobile offering exclusive content and thereby driving higher usage.
- Going forward, our focus would be to retain and convert all smartphones users to stay as customer for increased number of days than their average, backed by redesigning and simplifying the various bundled offerings.



### Airtel Money

#### Airtel Money Product Launches:

We augmented the Airtel Money product in six OpCos to introduce microloans and international money transfer services to make the product offerings more relevant and attractive to our subscribers. The improvement of products in these markets will also be one of the key enablers for driving Airtel Money acquisitions and revenue, moving forward.

**Airtel Money Reach:** We have introduced Airtel Franchise shops to improve our distribution network and provide subscribers with convenient access to our financial products and

services.

### Customer engagement

- **Brand Positioning:** We developed an emotionally engaging campaign that positions Airtel as The Smartphone Network across Africa and highlights the brand's attributes as we showcase the various ways in which our brand touches the lives of our subscribers across Africa. Reinforcement of the brand's position as The Smartphone Network is conveyed through three key pan-African products i.e. Airtel Money, Data and Network products.
- **Brand Bonding Score:** Overall brand bonding across Africa improved by 3 points as a result of introducing a master brand thematic communication strategy that empowers youth and links their potential to succeed to the brand's ability to enable their success. Due to this, OpCos communication shifted away from a series of tactical campaigns to more engaging product communications in line with the pan-African brand thematic campaign.
- **Airtel Rising Stars:** Airtel Rising Stars (ARS) is Africa's largest grassroots under 17 football tournament, focused on providing a platform to discover the next generation of soccer stars. The tournament is played in 17 countries across Sub-Saharan Africa. ARS is currently competing for the 2017 edition (7th edition) of the competition that has produced many successful soccer stars in the continent. We have had over 1.8 million boys and girls participate in ARS in the preceding six years. ARS has also provided a platform for us to engage with local communities as they experience the brand as well as our offerings.

# Board of Directors



**Mr. Sunil Bharti Mittal**  
Chairman



**Ms. Chua Sock Koong**  
Non-Executive Director



**Sheikh Faisal Thani Al-Thani**  
Non-Executive Director



**Mr. Craig Ehrlich**  
Independent Director



**Mr. D. K. Mittal**  
Independent Director



**Mr. Manish Kejriwal**  
Independent Director



CHAIRMAN  
MEMBER

- Audit & Risk Management Committee
- HR & Nomination Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Committee of Directors



**Mr. Ben Verwaayen**  
Independent Director



**Mr. Rakesh Bharti Mittal**  
Non-Executive Director



**Mr. V. K. Viswanathan**  
Independent Director



**Mr. Shishir Priyadarshi**  
Independent Director



**Ms. Tan Yong Choo**  
Non-Executive Director



**Mr. Gopal Vittal**  
MD & CEO (India & South Asia)





## Encouraging Recognition

- Bharti Airtel won the 'In-House Legal Team of the Year' award for IT and Telecom sector at the 6<sup>th</sup> edition of Legal Era Awards for the year 2016-2017.
- Bharti Airtel rated as India's fastest mobile network for the year 2016 by Ookla.
- Bharti Airtel won the 'Best Governed Company Award' at the 4<sup>th</sup> Asia Business Responsibility Summit.
- Bharti Airtel bagged the 'Best Messaging Solution Award' at the second annual 'Carriers World Awards', 2016.
- Bharti Airtel secured the second position in Interbrand's 'Best Indian Brands Report 2016'. According to the survey, the Company's brand was valued at ₹ 350.44 billion.
- Bharti Airtel was positioned among top three brands in Brand Equity's 'Most Trusted Brands 2016'.
- Bharti Airtel has secured the top position under the 'Telecom & Allied' category in the annual 'Business Today-PeopleStrong' survey (2016).
- Bharti Airtel was ranked second in the third annual BrandZ 'Top 50 Most Valuable Indian Brand 2016' report.
- Bharti Airtel was honoured with 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2016.
- Bharti Airtel ranked among top 15 Companies in Business Today's 'BT 500 India's Most Valuable Companies'.
- Bharti Airtel has emerged as the only Indian brand to be featured among the top ten global brands most admired in Africa (2016-17), according to Brand Africa's 'Brand Africa 100: Africa's Best Brands'.



AfricaCom, 2016



ICICI Lombard &amp; CNBC-TV18 India Risk Management awards



Telecom Review Excellence Awards, 2016



- Bharti Airtel was positioned among the top three brands in Brand Finance's listing of India's top 100 brands 2016. According to the survey, the Company's brand was valued at USD 5768 Mn.
- Bharti Airtel was awarded in the 'Firm of the Year – Telecom' category at the third edition of ICICI Lombard & CNBC-TV18 India Risk Management awards.
- Bharti Airtel was conferred with 'Certificate of Recognition for Excellence in Corporate Governance 2016' by the 'Institute of Company Secretaries of India (ICSI)'.
- Bharti Airtel has won the Best Risk Management Practice Award in the Telecom Category at India Risk Management Awards instituted by CNBC TV18 and ICICI Lombard. Airtel was recognised for its robust risk management practices and their implementation as strategic tools for a safe, secure and sustainable growth.
- Bharti Airtel won the 'Best African Wholesale Award' at the 'Telecom Review Excellence Awards 2016' in Dubai.
- Airtel Africa won the 'Most Innovative Service' award at 'AfricaCom 2016' in Cape Town, South Africa.
- Airtel Ghana bagged the 'Best Corporate Social Responsibility Initiative' award at the 'Global Carrier Awards 2016' held in Paris, France.
- Airtel Ghana bagged the 'Best Print Ad of the Year 2015' at the Chartered Institute of Marketing Ghana (CIMG) Awards.
- Airtel Ghana bagged the 'Best Print Ad of the Year 2015' at the Chartered Institute of Marketing Ghana (CIMG) Awards.



Legal Era Awards, 2016



2nd annual Carriers World Awards, 2016



4th Asia Business Responsibility Summit, 2017

# Corporate Social Responsibility & Sustainability

At Bharti Airtel, we continue to be a leading global telecommunications company with operations in 17 countries and close to 2 Bn satisfied customers. Our transformational network transcends continents, geographic borders and cultures; and enables people to do more in a largely volatile, globalised and hyper-connected era.

## Business Strategy

Our worldwide business strategy focuses on responsible value creation, while balancing three dimensions:



## India

## Expansive Community Programs

At Bharti Airtel, our objective is to assist the socio-economic progress of communities to help accelerate economic progress and social well-being. We undertake an integrated approach to the welfare of communities through our diverse initiatives in the realms of education, employment generation, sanitation, healthcare, disaster management and environment protection, among others. We believe that our need-based interventions sustainably empower people by opening up new possibilities for them and thus driving social transformation.

## Bharti Foundation

As the philanthropic arm of Bharti Enterprises, Bharti Foundation was set up in 2000 with the vision "to help underprivileged children and young people of our country realise their potential". The Foundation offers access to quality education to the marginalised sections of society across rural India. The Foundation implements and supports programs in the spheres of primary, elementary and senior secondary

education through its Satya Bharti School Program as well as through Government School interventions under its Satya Bharti Quality Support Program and Satya Bharti Learning Centres Program. It also has higher education programs in partnership with institutions like Indian Institute of Technology (IIT) – Delhi & Mumbai,

Indian School of Business – Mohali, Boston University, University of Cambridge – UK, Newcastle University – UK etc. Through 'Satya Bharti Abhiyan', its rural sanitation initiative, the Foundation has completed the provision of individual household toilets in rural Ludhiana.

**Members of the Bharti Foundation Governing Board, including Sunil Bharti Mittal, Rakesh Bharti Mittal, Syeda Imam, Professor V.S. Raju, Ashish Dhawan, Vinod Dhall, Kalpana Morparia, V V Ranganathan and Badri Agarwal were hosted by Vijay Chadda, CEO and Mamta Saikia, COO, Bharti Foundation as they joined students of Satya Bharti Schools for the 10 year celebrations in Amritsar.**

**Bharti Foundation's newly launched 'Nyaya Bharti' program provides legal and financial assistance for bail, to deserving underprivileged undertrials, languishing in jails across the country for minor offences.**

## Promise of a better life

### Educating Rural India

#### I. Satya Bharti School Program

Bharti Foundation's flagship initiative, the Satya Bharti School Program completed 10 years of operations in FY (Fiscal Year) 2016-17. Commencing its journey in 2006, Satya Bharti Schools continue to impact the lives of underprivileged children through free quality education with the goal of transforming them into employable and responsible future citizens.

The schools are located in remote villages of Punjab, Rajasthan, Haryana, Uttar Pradesh, Tamil Nadu and West Bengal. The schools impart quality education to under

privileged students, completely free of cost and maintain a focus on the girl child. Besides, the schools also provide welfare schemes such as free nutritious mid-day meals, textbooks, notebooks, shoes, stationery, etc.

#### Satya Bharti School Program: Key Performance Indicators

Schools	254
States	06
Students	43,527
Percentage of girls	49%
Percentage of children from SC/ST/OBC communities	75%
Teachers	1,677
Percentage of female teachers	66%

Data as on March 31, 2017



## Milestones and momentum

2006

Launch of the program with the first two schools being set up in Punjab

2007

Satya Bharti Schools enter Rajasthan

2008

The program is initiated in Haryana and Uttar Pradesh

2009

Inauguration of the program in Tamil Nadu and West Bengal

2010

Launch of Satya Elementary Schools and Satya Bharti Adarsh Senior Secondary Schools

2011

Launch of six Satya Bharti Schools in West Bengal

2012

Bharti Foundation receives the 2012 World Innovation Summit for Education (WISE)

2013

Launch of vocational education program for soft skills and computer training

2014

(Late) Dr APJ Abdul Kalam visits a school in Ludhiana

2015

100% result for the first batch of class X from Chogawan, Amritsar, at the CBSE Exams

2016

Completes 10 years of operations. Courses on financial market management and retail operations introduced under Satya Bharti Vocational Education Program



## I. Satya Bharti School Program

## Objectives of the Program:

- Provide free and quality education to underprivileged children, with a special focus on the girl child, in rural parts of the country
- Transform students into educated, confident, responsible and self-reliant employable citizens of the country with a deep sense of commitment to their society
- Encourage active involvement of the community, parents and like-minded organisations
- Make a lasting and sustainable impact on the community where schools are present
- Find innovative solutions, through its primary, elementary and senior secondary schools to create replicable and scalable components in the program to facilitate delivery of quality education



## Key Achievements

## Satya Bharti School Program (2016-17):

- 24 students secured admission in Jawahar Navodaya Vidyalayas (JNV) through a competitive entrance examination, providing them with continued quality education
- Satya Bharti Schools bagged all three national awards (for most inspiring posters); and all five National Finalist Awards at the Inspire Aspire Content 2016
- Satya Bharti Adarsh Sr. Sec. School, Chogawan, Amritsar won 'Best Innovative Practice' among Top Punjab Schools at the Brainfeed School Excellence Awards for 'Top 500 Schools of India'
- Satya Bharti Government Primary School, Salgawali, Achrol (Rajasthan) received the Centre for Science and Environment (CSE) 'GREEN SCHOOL AWARD'; 700 schools competed across India
- 37 students from Satya Bharti Schools were felicitated in Mumbai for exemplary performance at the
- Saevus Natural Capital Olympiad competition; this included 15 Gold, 13 Silver and nine Bronze awards; two students featured in the National Top 10
- Karnapreet Kaur (Rauni) emerged winner in the national English essay writing competition, conducted by CBSE. Akashdeep (Jhaneri) won state and national level competitions in kick boxing. Bhupinder (Fattubhila) from Class IX was selected in the Army
- S. Subbulakshmi, Class IV student of Satya Bharti School, Pethachikudiruppu, Sivaganga (Tamil Nadu) aced District Level Thirukkural recitation competition; she was awarded an academic scholarship by the State Government
- First batch of Class XII students from Satya Bharti Adarsh Senior Secondary School, Chogawan (Amritsar) excelled at the CBSE Board Examinations

## Bridging Aspirations and Achievement

Anmolpreet,  
Alumnus, Satya Bharti School,  
Jalal diwal, Punjab

Gurnam Singh, father of Anmolpreet Kaur, is a daily wage labourer. He was determined to send his daughter to school. The Satya Bharti School in Jalal diwal (Punjab) gave him the opportunity to educate Anmolpreet free of cost.

The timid little girl transformed into a confident student, nurtured under the guidance of Satya Bharti School teachers. With the holistic development approach at her school, Anmolpreet soon realised her penchant for sports.

Anmolpreet expressed her interest in hockey and soon began to wield the stick showcasing her prowess in the sport. A local hockey coach offered free after-school coaching to her and other students in the school grounds. Training rigorously for two years, soon she was hailed as the little hockey champ of Jalal diwal. Her hard work and the encouragement of her school helped her earn a

scholarship in a sports school (Mata Jaswant Kaur Memorial Academy), Muktsar, Badal (Punjab) where she receives special training to hone her skills along with continued education.

Anmolpreet had already represented her school at the cluster level, winning medals for her team, today she is part of the successful State Girls Team. Despite hardships, Anmolpreet has set a stellar example for girls in her community to emulate. With gleaming eyes, she adds, "My journey has just begun, and the best is still to come!"



## II. Satya Bharti Quality Support Program



### Key Achievements

#### Satya Bharti Quality Support Program (2016–17):

- Program expanded from 39 to 323 schools, from four states to seven states, adding Jammu & Kashmir, Telangana & Goa to the list, reaching out to 1,00,000+ students across seven states
- Partnering with the SMARTGRAM initiative, launched in Sohna block of Gurugram district by the office of the Honourable President of India, to improve quality of education in three villages of Haryana
- Jammu & Kashmir Project launched in 15 Government and 46 Army Goodwill Schools under Project Sadhbhaavna. Nearly 900 person-days of training imparted to 59 principals and nodal officers, and 237 teachers deployed in Ladakh, Kargil, Rajouri, North and South Kashmir

The Satya Bharti Quality Support Program, initiated in 2013, provides need-based interventions to improve the quality of the schooling experience for students and stakeholders in Government schools. The learning acquired from the flagship Satya Bharti School Program is being transferred to the Government schools under this and other Government school initiatives. Bharti Foundation takes innovative steps to enhance a Government school's performance by:

- a. Providing opportunities of exposure to best practices in education
- b. Conducting need-based training for key stakeholders
- c. Co-creating processes to sustain the desired change

### Satya Bharti Quality Support Program – Key Performance Indicators

Schools (In seven states*)	323
Teachers	5,133
Students	1,24,856

Data as on March 31, 2017

\*Punjab, Haryana, Rajasthan, Delhi, Telangana, Goa and Jammu & Kashmir

## Program Approach

Optimise use of existing resources, policies and systems

Collaborate with school leadership and staff to maximise usage

Support school leaders to achieve higher goals and bridge existing gaps

Facilitate, support and enhance school resources, processes and efforts

### III. Satya Bharti Learning Centres Program

The Satya Bharti Learning Centres Program works towards addressing the issue of Out of School Children (OOSC). In 2012, the Foundation tied up with Educate A Child (EAC), a global initiative under the Qatar-based Education Above All (EAA) institution. The Satya Bharti Learning Centre Program mainstreams OOSC back into schools by identifying and enrolling them into Government schools through bridge courses that offer them an age-appropriate education.

#### Expansion of 'Out of School Children' Program:

This project, in partnership with Educate A Child (EAC) - aims to ensure age and grade appropriate enrolment in schools of children who are "out of school" or at risk of dropping out due to low engagement, parent's apathy or lack of access. In addition, the implementing partners are 'Humana People to People India', 'Education Support Organisation (Gyan Shala)' and 'Educate Girls', impacting a large number of children.



#### Key Achievements

##### Satya Bharti Learning Centres Program (2016-17):

- 60,593 children were impacted against a target of 48,200, agreed with Educate a Child (EAC)
- Program was expanded to 35 Educationally Backward Blocks of the country
- Vikram Singh, an Out of School child from Chohtan, Rajasthan, won the District level Science Quiz competition
- 10 Out of School students enrolled at the Learning Centres earned admissions in the prestigious Navodaya (three) and KGBV (seven) schools in Barmer District (Rajasthan)
- In 942 villages, the number of Out of School Children was reduced to a negligible level
- The program has created a local resource pool with over 1,000 trained education volunteers

#### Satya Bharti Learning Centres – Key Performance Indicators

Centres	223*
Children impacted	29,756
Children enrolled	2,363
Children mainstreamed	23,676
% of girls	50%
% of SC/ST/OBC students	98%
Education volunteers	290

Data as of March 31, 2017

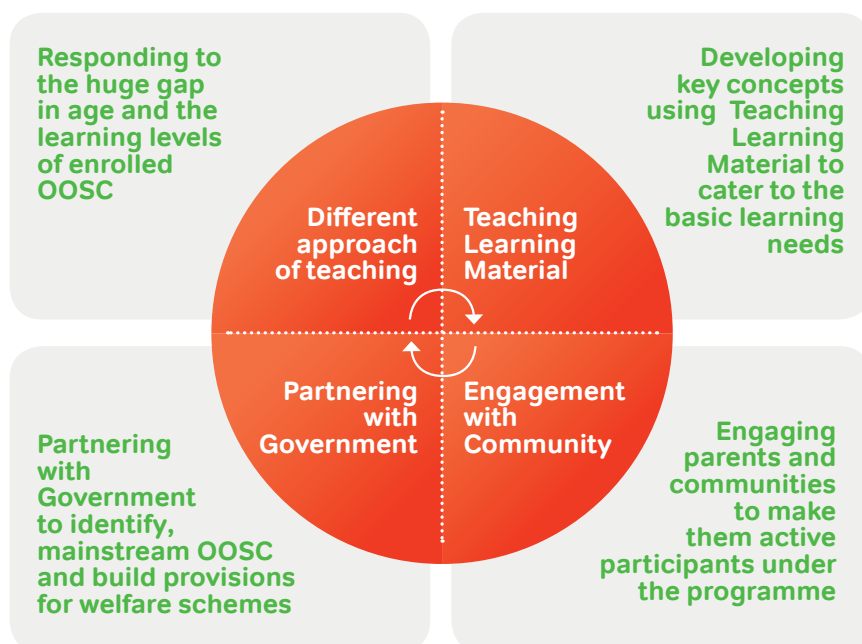
All centres are within government schools

\*942 centres have been closed as most of the OOSC's in these villages have been mainstreamed (number included in overall impact); in some villages the count of OOSC's have dropped to such a low figure that it has gone below the minimum numbers required to run a centre, as per Government norms.

50 Centres had to be closed because of unavailability of qualified education volunteers.

Three Centres were closed due to mass migration (Madhya Pradesh).

#### Program Approach



#### IV. Satya Bharti Abhiyan

This initiative aims to improve sanitation facilities beginning with rural Ludhiana. Phase I of the program has been completed in a short span of time, given the scale and geographic spread of the District. Individual household toilets were provided in every household of rural Ludhiana, which lacked one. In addition, 14 Government schools, identified by Punjab Education Development Board, have been provided with a separate toilet for girls.

In its second phase, the program is being ramped up to the urban areas of Ludhiana to support the district administration's efforts.

##### Satya Bharti Abhiyan – Key Performance Indicators:

Direct beneficiaries	86,582
Individual toilets handed over	17,628
Girls' toilets in Government schools	14

Data as of March 31, 2017

\*Punjab, Haryana, Rajasthan, Delhi, Telangana, Goa and Jammu & Kashmir

#### Key Achievements

##### Satya Bharti Abhiyan (2016–17):



- The most populated district and one of the largest districts in Punjab – Ludhiana District (rural) -became the second self-declared Open Defecation Free district of Punjab on November 02, 2016 (much ahead of its original time line of October 2017)
- Women and children of beneficiary families feel more secure and safe now, while the elderly experience a sense of dignity and independence
- Satya Bharti Abhiyan has directly generated livelihood opportunities through construction, surveys, monitoring and Information Education and Communication (IEC) initiatives during implementation

#### V. Higher Education Programs

Bharti Foundation continues its partnership with Indian Institute of Technology, Delhi that was initiated in 2000 with the Bharti School of Telecommunication Technology and Management, IIT Delhi. A Bharti Centre for Communication was also set up in Mumbai in partnership with IIT Bombay. Under the Manmohan Singh Bursary Fund, the Foundation recognises and awards exceptionally talented students with scholarships to pursue their studies at The Cambridge University, UK. In Mohali, the Foundation set up Bharti Institute of Public policy in a tri-partite partnership between Indian School of Business, Bharti Enterprises and Fletcher School of Law and Diplomacy, Tufts University (USA.).

##### Recent Initiative – Partnership with University of Cambridge:

The University of Cambridge and Bharti Foundation, signed a Memorandum of Understanding (MoU) on September 12, 2016 to conduct baby corn crop improvement research program in India. The program is being funded through a grant from Bharti Foundation to the University of Cambridge. The grant supports a three-year research program carried out between Cambridge's Department of Plant Sciences and the Cambridge Centre for Crop Science (3CS), Punjab Agricultural University and Fieldfresh Foods.

#### VI. Nyaya Bharti

'Nyaya Bharti' is a one-of-its-kind corporate social responsibility (CSR) initiative by Bharti Enterprises, one of India's most respected business groups. The primary objective of Nyaya Bharti is to provide aid to the under privileged undertrials who are first time offenders accused of petty offences, requiring legal/financial assistance for release on bail. It also extends assistance to certain poor first time convicts undergoing imprisonment for petty offences due to their inability to pay petty fines imposed by the courts. The Governing Board of Nyaya Bharti is headed by Justice (Dr.) A.S. Anand, former Chief Justice of India.

The Nyaya Bharti initiative aims at providing legal and financial assistance to underprivileged prison inmates. Nyaya Bharti through its endeavours, complements the legal aid work being undertaken by National Legal Services Authority (NALSA) and State Legal Services Authorities (SLSAs), set up under statute legislated by the Parliament. The office of Nyaya Bharti is located in New Delhi.

As a part of the Nyaya Bharti initiative, 43 bail orders have been obtained and gross release of 38 under trials has been affected.



## Airtel Connect

### Airtel Delhi Half Marathon

The Airtel Delhi Half Marathon (ADHM) is an effective platform to bring together corporates, individuals, employees and students of schools and colleges and give them the opportunity to raise awareness about the Satya Bharti School Program, raise funds and enjoy the marathon run.

### Young Leader Programme

The Young Leader Programme is a two-week initiative part of the corporate induction to engage new team members of Bharti Airtel as volunteers to support various initiatives of Bharti Foundation.

### ACT (A Caring Touch)

It is an employee payroll giving program for Bharti Group of Companies. This Program encourages employees of Bharti Airtel to give back to society in terms of money, time, skills or knowledge

## Driving Societal Change

### Helping the Disadvantaged

We continued the scholarship and skill development programme for underprivileged students of Chhindwara District, Madhya Pradesh. During the year we have trained students from various domains on employability skills helping them to become corporate ready. Over 200 underprivileged students were granted scholarship during the financial year 2016-17. Under the program, we also impart coaching to the underserved youth for competitive exams helping them get selected for central/state government jobs. Additionally we run self-employed tailor course for women empowerment program in the tribal areas of Chhindwara.

### Caring for the Elderly

Anubandh, situated on the outskirts of Jodhpur, helps senior citizens deserted by their families. We partnered and supported Anubandh in furtherance of their initiatives.

### Supporting the Community

We also partnered and supported various programmes and initiatives of charitable institutions such as Action for Autism, CRY, HelpAge India, National Association for the Blind,

## Donations Under Act

	ACT Employee Contribution	ACT Employer Contribution	Total ACT Contribution
<b>Total*</b>	<b>3,837,464</b>	<b>5,246,173</b>	<b>9,083,637</b>

All figures in ₹

\*Companies included are Bharti Airtel Ltd, Bharti Airtel Services Ltd and Telesonic Networks Ltd.



Save life Foundation, SOS Children Villages of India and The Banyan, among others.

### Airtel and Magic Bus

The main areas of focus of this project supported by Airtel is to empower 1,722 children (722 children in Mumbai and 1,000 children in Delhi) in the area of right to education, gender equity, awareness on health and hygiene, right to play, life skills and leadership through Magic Bus' Sports based and mentorship approach. The aim of the project is to bring about a positive change in the attitudes and behaviours of children.

## Lending a Helping Hand

### Initiatives by Airtel Circle Offices

Employees at Airtel Circle Offices engage themselves on various fronts to ensure development and progress across India.

### Disaster Relief

The devastating Vardah cyclone in December 2016 wreaked havoc on several parts of Tamil Nadu. Our Network Team worked round the clock on a war footing to keep the services running. Many of our team members stayed back and carried out restoration work in all affected sites. Similarly, following the demise of the former Tamil Nadu Chief Minister, we strengthened our vigil. We joined hands with the law enforcing authorities and ensured an uninterrupted network coverage by deployment of additional mobile sites



near the Memorial sites to support additional voice and data traffic.

Majuli in Assam is the largest river island in the world. The island suffered severe floods last year owing to unprecedented rainfall, which affected the lives of hundreds. We provided relief to those afflicted by the flood. People on the island were provided with roofing sheets that protected them from incessant rainfall.

### Pool2Park Campaign

At Bharti Airtel, we introduced innovative measures to help protect our environment. One such measure was the Pool2Park campaign by Airtel centre in Delhi. As the Delhi government had introduced its odd-even vehicle rule in January last year, we tried to address the concern of the people. We partnered with Orah and launched our cab service for our employees. They could easily commute to their office even during the odd-even rule. This not only benefited the employees but also was a green initiative to reduce the city's carbon footprint. As people started to share their ride to their offices, the number of cars reduced in the city.

# 18,665

**Kg of CO<sub>2</sub> footprint was saved by the Pool2Park campaign**

# 1,85,000+

**km of distance was shared between the passengers of Pool2Park**



## Joy of Giving

Like every year, we celebrated the Joy of Giving Week (JGW) across different states of the country. Employees at our Rajasthan Circle Office spent the JGW by voluntarily donating to Bharti Foundation. In Bangalore, we partnered with different NGOs and organised an event called 'Food for Change'. The event was an initiative to help raise funds for the NGOs. Airtel employees, with their families, set up food stalls at a prime location in the city. The money collected from selling the food was donated to NGOs.



and Karnataka, our teams arranged camps across all zones partnering with the renowned local hospitals.

## Healthcare

In Karnataka, our Mangalore zone employees visited Aasare, an exclusive home for physically challenged children and distributed fruits and chocolates among kids. Free eye check-up camps were also set up across all five zones in the state.

Everyone in our West Bengal team donated money to provide nutritional supplements to HIV-affected children in 'Anandaghar'. Together, they collected a sum of ₹ 32,000. Additionally, two 24-hour helpline numbers were launched to offer help in cases of paediatric HIV. In Assam, our team spent a day with students of Basistha Blind School in Guwahati.

## Distributing Daily Needs

Our team in Northeast states and Assam collaborated with OJU Welfare Association in Arunachal Pradesh to drive a campaign called 'Clothes for Charity', where used clothes were collected from all our offices in that zone and were donated to the association. OJU Welfare Association works for the development and empowerment of disadvantaged women and children. In Pune as well, our employees collected daily consumables (clothes, shoes, water bottles, soaps, among others) and donated those to Maher Ashram in the city.

## Societal Well-Being

At Bharti Airtel, we have taken up several initiatives for the conservation of food. We tied up with many food vendors and ensured that the surplus food was not wasted. The left-over food was sent to orphanages and old-age homes, so that it got served to the needy.

We dedicated an entire day to the HIV-affected kids of 'Anandaghar', where we screened a movie for the kids and

offered them refreshments in between the film.

One of our most significant initiatives last year was to collaborate with the Uttar Pradesh government to roll out its state-wide project Dial 100. Dial 100 is an emergency response system, where the state citizens could communicate with the call centre via dialing 100 over phone, text, and other communication methodology. This was a big milestone for the team as it involved setting up UP's largest call centre.

## Towards a Low-Carbon Future

**As one of the world's leading telecommunication companies, we believe it is possible to drive economic growth across geographies with less impact on the environment. Finding that balance is fundamental to our sustainability commitment.**

We evaluate the impact of our operations (including those of our partners) on the environment in terms of resource and energy consumption, greenhouse gas (GHG) emissions and waste. Besides, we ensure that we operate as efficiently as possible to minimise the impact. The United Nations National Climate Change Conference, 2016, recognised climate change as a threat to human life. We believe that the Information and Communications Technology (ICT) industry has a crucial role to play in enabling a low-carbon future.

## Our priorities comprise:

- Reducing carbon footprint by over 70% in the next three years;
- Promoting a shift to green mobile tower technologies that consume less power;
- Driving initiatives that reduce energy consumption;
- Minimising waste and developing innovative solutions that ensure environmental stability.

## Green Network Infrastructure

Airtel has always pioneered green and sustainable energy. There have been path-breaking shifts from the classical telco operating model, whether it has been sharing of passive infrastructure or replacing all indoor cabinets to outdoor. These changes have shaped and impacted the industry in a way no other company has been able to.

# ₹96,250

**Donated by employees of Rajasthan Circle Office to Satya Bharti Foundation in the JGW.**

## Celebration Time

Bharti Airtel's Mysore zone employees celebrated deepavali at Bhagini Samaj Ashram for Children, where they distributed sweets, crackers and stationery items for kids. Similarly, our team in Rajasthan celebrated their Diwali with the students of Satya Bharti School. They organised a campaign called 'Is Diwali kuch alag karte hain'. Under the initiative, the employees contributed stationery items, books, and sports equipment to students. Employees from Hubli zone dedicated their holi celebration to the kids of NGO Child for Home. Whereas, in Mangalore, Children's day was celebrated by organising a drawing competition for the specially-abled children.

Since Durga Puja is the most awaited festival in West Bengal, we thought of spreading the festivity among everybody. Our team in Bengal hit the streets and took 26 HIV affected children from 'Anandaghar' for a Pujo Parikrama. They rejoiced and cherished the entire day visiting different Puja pandals across Kolkata.

## Blood Donation

Blood donation camps were regularly organised at various places, where employees and partners donated blood to help save lives. Fourteen camps were organised across the northeast states and Assam, where 520 units of blood were collected in one day and handed over to government blood banks across seven northeast states. In Rajasthan

## Achieved milestone of 1 MWp Rooftop solar capacity

Last year, Airtel achieved the milestone of 1 MWp rooftop solar at our main switching centres (msc) sites. This is an unprecedented achievement by any telecom operator in the domain of adopting renewable technology for their msc locations.

### Renewable Energy Solutions

- An alternating diesel battery hybrid mode helps reduce diesel consumption by using batteries. This mode is managed by smart controllers at the main power source, which is increasingly being utilised by some of the operators.
- Airtel's green power wheeling agreements for the procurement of green energy of 88 Mn units per annum.
- We completed trials at own and partner sites by switching off air-conditioners and utilising natural solar cooling to reduce the energy demand.
- 381 sites completed with 300 Wp solar on own and partner sites by switching off our air-conditioners and utilising solar and natural cooling to reduce the energy demand.

### Partnering Energy Efficiency

- We are implementing several initiatives to inculcate passive site sharing. This method involves ground-based or rooftop tower, cables, shelter cabinets, power supply, air-conditioning, alarm systems, among others.
- Tower sharing saves utilisation of various resources like steel, cement, concrete, zinc and land, besides optimising power usage.

### Conversion of Indoor Sites to Outdoor

A base station with outdoor BTS does not require air-conditioning, which results in potential reduction of energy consumption by 25%. Over 48,973 sites have been converted to outdoor sites. We partnered with Tower Cos to take this initiative forward.

### Automatic Shutdown of Equipment in Non-Peak Hours

With the advent of 4G technologies, there have been associated innovations in the BTS deployment. One such innovation is the usage of intelligent shutdown technology. This ensures that the equipment remains switched off during non-peak hours.

### Project Green Cities

Project Green City was launched by Indus and Infratel a few years ago; and over 47,937 sites have been tagged as green sites till date.

### Green Operations at Airtel Involves:

- The use of information technology solutions at the workplace, adjustments in AHU running hours and reduction of excess UPS load.
- Robust Building Management Systems (BMS) and the setting up of numerous efficient HVAC design at 'One Airtel' campuses.
- Insulation solutions, deployment of energy efficient cooling and photovoltaic solutions, and regular monitoring of chiller temperature.
- Daylight harvesting, installation of motion and occupancy sensors, maximising utilisation of daylight and replacement of lights with efficient LED lights.
- Ground water recharging, use of pre-used water for gardening and advanced Sewage Treatment.

### Towards Green Data Centres

Across all the facilities in India, we have implemented comprehensive energy conservation and efficiency programmes through the following initiatives:

**Installing Variable Frequency Drives (VFDs)** A Variable Frequency Drive (VFD) installed in our HVAC systems, automatically reduces a

motor's speed and power draw when there is lower system load.

**Cold Aisle Containment** Cold aisle containment uses a physical barrier to reduce the mixing of cold supply air and hot exhaust air in data centre aisles. This delivers lower energy consumption and more efficient cooling.

**Energy Usage Optimisation:** By an extensive energy usage study and power audits conducted, various initiatives were undertaken to optimise the usage of electricity, some of which include:

- Identifying and rectifying hot-spots
- Optimising lighting and AC usage
- Short cycling of cold/hot air
- Optimising set points of AC/chillers within framework of ASHRAE

### E-waste

We, at Bharti Airtel, ensure that our e-waste is disposed off responsibly. E-waste is generated from technology upgradation, capacity augmentation and other procedures.

In FY 2016-17, 2,400+ tons of e-waste from IT and network infrastructure were responsibly recycled through our authorised partners. In addition, we have been donating our end-of-life laptops and IT infrastructure to the Bharti Foundation who, in turn, use the same for their schools program.

### E-bills

We took several significant measures like practising the usage of paperless billing to reduce paper usage and wastage. Our customers are offered the flexibility to opt for paperless bills at any time of their subscription cycle. This helped us save over 1,289 Mn sheets of paper since FY 2011-12. New connections sold with e-Mail/e-Bill options are also increasing and accounts to 56% of total new postpaid connections as of March 2017.





## Africa

### Global Networking of Sustainable Growth

We believe that technology can play a pivotal role in enabling the communities where we operate achieve their developmental aspirations. Our commitment is to enhance the quality of life wherever possible and contribute to a connected society. Over the last few years, we have taken up locally relevant projects in the areas of Education, Youth Development, Health and the Environment. We also extend our services to provide disaster relief in the areas where we operate.

#### Education

Education is a key focus area for governments and public private partnerships are helping bridge some of the gaps.

- Airtel Africa's flagship programme, 'Adopt-a-School', has 56 adopted schools with over 27,000 students across Africa.
- Airtel Rwanda and the University of Rwanda partnered to launch an innovation hub at the College of Arts in Huye district.
- Airtel Uganda rewarded top performers in the adopted schools by providing them with school requirements, such as beddings and other items.
- Airtel Seychelles partnered with the Ministry of Education to reward students who performed well at the national level.

#### Youth Development

To provide the youth in Africa opportunities to fulfil their potential, Airtel is leveraging its technology to enhance skills or provide real opportunities for growth.

- Airtel Tanzania launched the Fursa Seeding Fund, designed to empower the youth with small scale loans. The first batch of 100 entrepreneurs have received soft loans from the programme.

- Airtel Congo B in partnership with UNESCO is carrying out Digital Literacy and Youth Training in IT.
- Airtel Zambia partnered with the British Council to provide support for setting up of internet hubs for youth to improve their ICT skills.

#### Health

Access to primary health care is a key area of focus for countries in Africa.

- Airtel Uganda held health camps, encouraging preventive health care among the rural population.
- Airtel Ghana donated medical equipment to the Abokobi Community Clinic in Greater Accra Region.
- Airtel Madagascar, together with Nokia, donated an incubator and resuscitation table for newborns at the CHU-Befelatanana Pediatrics Department.
- Airtel Nigeria partnered with the Lagos AIDS Control Agency to mark the World AIDS Day, by counselling and conducting free HIV screening and testing of 2,000+ members of Ilaje Community in Lagos State.

#### Environment

The natural ecosystem is equally important to Airtel and to ensure that we are preserving it, Airtel Africa's employees partake in planting trees

around the year, amongst other initiatives.

- Airtel Kenya participated in an award-winning Biogas project at the I-Afrika rehabilitation centre, home to 100+ street children. The objective is to support the institution produce sufficient biogas for cooking and boiling water for use at the centre. The centre not only saves money, but also provides a healthy and safe option, as they were previously using wood and coal.



I believe that the long-term success of Airtel is tied to the society. Our overarching Corporate Responsibility is to ensure that we operate as a responsible business. In community related CSR initiatives, we work in collaboration with government and development agencies, whilst encouraging employee participation. We remain committed to making a difference to the society that we operate within.



Message from MD and CEO  
**Raghunath Mandava**





2,000

members of Ilaje community  
were given free HIV screening  
and counselling

27,000

students reached under  
'Adopt-a- School' programme

## CSR related Recognitions:

## Airtel Ghana

- CSR Excellence Awards 2016 – CSR CEO of the year
- Africa Carrier Awards 2016 – Best CSR initiative
- Global Carrier Awards 2016 – Best CSR initiative

## Airtel Zambia

- Best Corporate Social Responsibility Education Project and Best CSR partnership in the Community – Public Service Excellence Annual Awards

- Best Corporate Social Responsibility Award – Zambia Medical Association Annual Awards

## Airtel Uganda

- Best Social Good Campaign – 2016 Social Media Awards
- Best Social Responsibility Campaign - Public Relations Excellence Awards

## Airtel Nigeria

- Best company in reduction of inequality (SDG 10) - SERA Awards, a notable platform that recognises exceptional CSR interventions in Nigeria



## Sri Lanka

At Airtel Sri Lanka, our CSR approach is attuned to societal needs. We are focused on enriching the lives of people in the communities and act with respect for all stakeholders. Our initiatives across domains of education and health have created significant impact in the lives of millions.



## Education

We adopted the Kahatagasdigiliya School in Anuradhapura district, where we took care of the education of 100 children. A similar initiative was taken at Alawal School in Gampaha district, where we could impart the education to 300 children. A holistic approach was taken to empower children with knowledge and education, so that they grow to become responsible citizens.



## Health

We undertook the annual refurbishment of The Lady Ridgeway Hospital, which is considered to be world's largest paediatric government hospital. It impacted the lives of over two million patients. Additionally, to prevent the wide spread of dengue disease across Trincomalee, we initiated our 'Nets for wells' campaign, where we went on covering wells with nets to prevent the breeding of mosquitoes. This programme created impact across 500 families of Trincomalee.



Corporate Social Responsibility initiatives in Sri Lanka have given more emphasis on empowering youth, as they are pivotal for the country's economic development. As per the studies conducted in 2016-2017, the youth - representing 22% of the local populace, face scores of issues including education and health. Accordingly, in the coming year, we expect to implement initiatives to uplift community resources and incorporate our knowledge and expertise to promote information technology, with the aim of devising an all-inclusive business model to further elevate our CSR initiatives.



CEO Statement  
Mr. Jinesh Hegde



# Business Responsibility Report

## Section A

### General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1995PLC070609
Name of the Company	Bharti Airtel Limited
Registered Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Website	<a href="http://www.airtel.com">www.airtel.com</a>
Email ID	<a href="mailto:compliance.officer@bharti.in">compliance.officer@bharti.in</a>
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (Industrial activity code-wise)	<ul style="list-style-type: none"> <li>○ Telecommunication Services – mobile telecommunication, fixed line services and telecommunication enterprise solutions.</li> <li>○ Direct-to-Home Services (through subsidiary company).</li> <li>○ Payments Bank (through subsidiary company).</li> </ul>
Key products/services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> <li>○ Mobile Services</li> <li>○ Broadband Services</li> <li>○ Enterprise Services</li> <li>○ Direct to Home (DTH) Services</li> </ul>
Total number of locations where business activity is undertaken	<div>Number of international locations (major 5)</div> <div>Operations in 17 countries including India and Sri Lanka.</div> <div>Number of national locations</div> <div>Headquartered in New Delhi, the Company has business in all 22 licensed telecom service areas.</div>
Markets served by the Company - Local/State/National/ International	Besides India, operations in Africa and South Asia

## Section B

### Financial Details of the Company

1. Paid up capital (INR Million)	19,987
2. Total turnover (INR Million)	622,763
3. Total profit after taxes (INR Million)	(99,256)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.	0.05%*
5. List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> <li>○ Promotion of education</li> <li>○ Employability and entrepreneurship</li> <li>○ Promoting measures for reducing inequalities faced by economically backward groups</li> <li>○ Livelihood enhancement program</li> </ul>

\*Please refer Annexure D of the Board's Report viz. the Annual Report on CSR activities for details.

## Section C

### Other Details

- Does the Company have any Subsidiary Company / Companies?**  
Bharti Airtel Limited had 15 direct and 81 indirect subsidiary companies, as on March 31, 2017.
- Does the Subsidiary Company / Companies participate in the BR initiatives of the parent company?**  
Nearly all subsidiary companies of Bharti Airtel, either directly themselves or along with Airtel, participate in the BR initiatives.

## Section C

## Other Details

**3. Do any other entity / entities (e.g. suppliers and distributors, among others) that the Company does business with participate in the BR initiatives of the Company?**

Bharti Airtel supports and encourages its partners to undertake sustainability and CSR initiatives. At present, the Company's infrastructure and facility management partners support its drive towards environment protection, which represents less than 30% of all our partners.

## Section D

## Business Responsibility Information

**1.0 Details of Director / Directors responsible for BR****(a) Details of Director / Directors responsible for the implementation of BR policy / policies**

DIN Number	00042494
Name	Mr. Rakesh Bharti Mittal
Designation	Director

**(b) Details of the BR head**

DIN Number	N.A.
Name	Mr. Sameer Chugh
Designation	Director – Legal & Regulatory
Telephone Number	+91 124 4243188
E-mail ID	sustainability@airtel.com

**2.0 Principle-wise (as per NVGs) BR Policy / Policies****PRINCIPLE 1****Ethics, Transparency and Accountability**

Businesses should conduct and govern themselves with ethics, transparency and accountability

**PRINCIPLE 2****Products Lifecycle Sustainability**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life

**PRINCIPLE 3****Employees' Well-being**

Businesses should promote the well-being of all employees

**PRINCIPLE 4****Stakeholder Engagement**

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

**PRINCIPLE 5****Human Rights**

Businesses should respect and promote human rights

**PRINCIPLE 6****Protection of the Environment**

Businesses should respect, protect and make efforts to restore the environment

**PRINCIPLE 7****Responsible Policy Advocacy**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

**PRINCIPLE 8****Support Inclusive Growth**

Businesses should support inclusive growth and equitable development

**PRINCIPLE 9****Providing Customer Value**

Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of Compliance (Reply in Y/N)**

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (A)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)(A)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director? (B)	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? (B)	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? (C)	Y	N	Y	N	Y	N	Y	Y	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? (D)	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies? (E)	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redress mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? (F)	Y	-	Y	Y	Y	-	-	-	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (G)	Y	Y	Y	Y	Y	Y	Y	Y	Y

(A) The policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry. They are developed and aligned to applicable legal and regulatory requirements, and guidelines, SEBI listing regulations and our internal mandates.

(B) All policies are administered under the overall supervision of the Airtel Management Board (AMB) of the Company, headed by the Managing Director and Chief Executive Officer. The Audit & Risk Management Committee of the Board along with other Board Committees reviews implementation of policies.

(C) The following policies can be viewed on our website [www.airtel.com](http://www.airtel.com) and [www.bharti.com](http://www.bharti.com):

1. Code of Conduct Policy
2. Code of Conduct Policy for Partners
3. CSR Policy
4. Ombudsperson Policy and Process

(D) Except policies listed above, all other policies are meant for internal consumption of employees and are available on the Company's intranet. All policies have been periodically communicated to the relevant internal and external stakeholders.

(E) All policies are owned by the respective AMB member and their senior leadership teams are responsible for the effective Implementation of Policy.

(F) Any clarifications for grievances related to either of the policies are addressed by the respective leadership team member and if not addressed to satisfaction can be escalated to the Ombudsperson.

(G) All policies and their implementation are audited by an independent internal audit team who in turn reports issues, if any, to the Audit & Risk Management Committee of the Board.

**Governance related to BR****o Performance assessment frequency of BR**

The CSR Committee and Board assess and review the BR performance annually and give a strategic direction to the Company on its BR initiatives, as required.

**o Details of BR and Sustainability Report**

The Company publishes an annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) framework. The report has been uploaded on the Company's website and can be viewed at [www.airtel.in/sustainability](http://www.airtel.in/sustainability).

## Section E

## Principle-wise performance

## PRINCIPLE 1

## Ethics, Transparency and Accountability

Bharti Airtel is committed to achieving the highest principles of integrity and ethics. Its Code of Conduct (COC/Code) outlines the Company's expected standards of ethical conduct and behaviour. Bharti's core values represent mutual respect, trust and personal growth for all. The Company maintains a firm stand against bribery and corruption; it strictly prohibits making any sort of facilitation payment and has a 'zero tolerance' policy for breach of regulations and rules. The COC is developed at the Group level and is applicable for all internal and external stakeholders. Adherence and compliance to the Code is mandatory for employees, subsidiaries, suppliers, partners, agents, consultants and independent contractors.

Moreover, all employees are required to undergo an annual e-certification on Code of Conduct to reinforce their commitment to the Code. The Code is implemented through the Office of the Ombudsperson. It serves as an independent platform for employees and other external stakeholders (including associates, strategic partners and suppliers) to address any breach or violation of Bharti's Code. During 2016-17, 13 allegations of corruption or bribery were received. Investigations were completed in 11 cases. The remaining two cases are under various stages of investigation. The allegations were substantiated in eight cases and suitable actions initiated, as per Consequence Management Policy.

## PRINCIPLE 2

## Product Lifecycle Sustainability

Bharti Airtel is committed toward creating a positive impact on the society. It aims to reduce any fallouts during the lifecycle of its products and services across the value chain. The Company is leveraging its existing services such as Mobile DTH, Payments Bank and Broadband to provide basic life services. It is helping enhance financial inclusion, health and education along with raising awareness around agriculture. The Company is augmenting the government's efforts to expand the reach and quality of basic life services to the masses.

Airtel introduced significant steps to promote environmental stability. While it promoted reduced energy consumption and minimised waste, it also focused on developing innovative solutions for environmental sustainability. There were various initiatives undertaken to reduce our impact on the environment and minimise waste. Please refer to the CSR section of this annual report for details on the same.

Airtel gives utmost importance to community health and safety, and acknowledges the growing public concern regarding exposure to electromagnetic fields (EMF). The Company maintains complete transparency and shares updated research-backed data periodically with all its stakeholders. The Company's existing sites comply with applicable guidelines issued by the Department of Telecommunication (DoT), Government of India – the Indian

emission norms are 10 times more stringent than specified by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). According to the DoT guidelines, the Company's operational sites are subject to random selection and audit by the DoT's Telecom Enforcement Resource and Monitoring (TERM) Cells. In FY 2016-17, the TERM Cells conducted an audit of 21,615 sites, and 99.96% of them were found compliant with emission norms. Additionally, the Company partners with the Cellular Operators Association of India (COAI) to organise various programmes, workshops, seminars and stakeholder meets to build awareness around EMF.

'War on Waste' is among the Company's key priorities. It is an initiative that enhances Airtel's operational efficiencies by eliminating waste. Over the years, the Company has been actively pursuing the motto of 'reuse, repurpose and recycle' across operations through deployment of innovative technologies. Being a service provider company, e-waste management is a major concern for the organisation.

E-waste (or electronic waste) from electronic products, such as IT hardware and telecommunications network equipment may present health hazards and cause environmental damage through land, water and air contamination. The Company follows the Waste Electrical and Electronic Equipment (WEEE) guidelines to handle and recycle e-waste generated from technology upgradation, capacity augmentation and others. Moreover, Airtel proactively collects, re-uses and recycles all its e-waste to minimise impact. In FY 2016-17, over 2400 tons of e-waste generated from IT and network infrastructure was recycled through authorised recycling partners.

The Company has been consistently building a responsive and responsible supply chain. We aim to source 100% of the supplies sustainably and are currently developing processes and metrics to track the level of sourcing being done sustainably. Suppliers with TL9000, ISO 9001, ISO27001, ISO 14001, OHSAS18001 and RoHS are preferred partners by Airtel. It encourages its partners to publicly disclose their performance on social, environmental and governance issues. Moreover, the Company, through its Business Standards of Conduct, ensures to implement compliance with relevant laws on ethical competition, non-discriminatory policies and practices at work, prohibition of child labour, safe working conditions and accuracy of company records, among others. In our endeavour to promote indigenous entrepreneurship, in FY 2016-17, 98% of the partners Airtel worked with were India-based, sourcing around 65% products in terms of value.

## PRINCIPLE 3

## Employees' Well-being

Airtel's business strategy is anchored in creating a high performance work culture and building employee capabilities that deliver, grow and enable effective cross-functional roles. The Company strives to create a winning ecosystem for all its employees by providing inclusive and equal opportunities for all. Please view details of the Company's initiatives for employee well-being in the Annual Sustainability Report at [www.airtel.in/sustainability](http://www.airtel.in/sustainability).

As on March 31, 2017, Bharti Airtel's operations in India, including all wholly owned subsidiaries, employed 17,491 people, including 1,520 women and 172 specially-abled personnel. In addition, the Company had 17,279 sub-contracted employees for calendar year 2016, employed at its various sites. During the period, the Company did not



engage any temporary or casual staff in the organisation. Airtel currently does not have any employee associations in the organisation however, employees have full access to raise their concerns with the management without fear or coercion which are addressed and resolved satisfactorily.

Airtel views its people as the cornerstone of Business and constantly innovates to be an employee-friendly brand through its continuous efforts focusing on talent and capability development, employee engagement, flexible work environment, learning and overall growth.

The Bharti Code of Conduct ensures to build a workplace culture that fully reflects Bharti's values of trust, mutual respect and inclusive growth for all. The Code encompasses a wide array of issues pertaining to harassment, workplace conduct, labour conditions, and community responsibility. The Ombudsperson administers a formal process to review and investigate all concerns and undertakes appropriate actions required to resolve the reported matter. In FY 2016-17, five cases regarding sexual harassment at the workplace have been reported and investigated. In three of these cases, the allegations were substantiated and the accused personnel were separated from their services. Airtel received no complaints regarding child labour, forced labour and discriminatory employment in the year under review.

Category <sup>1</sup>	Number of employees who attended safety trainings	Number of employees who attended skill upgradation trainings
Permanent employees	13,693	16,599
Permanent women employees	269	1,497
Casual / temporary / contractual employees	13,741	n/a
Employees with disabilities	11	208

<sup>1</sup> BAL and 100% owned Indian subsidiaries

## PRINCIPLE 4

### Stakeholder Engagement

Bharti Airtel functions on the philosophy that communication can bring in multi-dimensional transformations. Thus, the Company's approach to responsible business activities includes routine engagement of internal and external stakeholders on significant matters. Additionally, a formal stakeholder engagement materiality assessment is performed once in every two years to gather the stakeholder requirements; and map the same for the Company to align its governance framework and management approach with it. Through its Sustainability Plan 2020, the Company aspires to play its part in the sustainable development of India, specifically by addressing areas like connectivity, health, education and financial inclusion. Airtel uses its inherent advantages of reach and affordability to help bring socio-economic development across the country. The Board – level Stakeholders' Relationship Committee of the Company ensures the fair examination and redressal of concerns of all security holders through engagement and disclosure practices.

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders through Bharti Foundation, the philanthropic arm of Bharti Enterprises. The foundation's beneficiaries include economically-challenged and disadvantaged groups, especially girls. Bharti Foundation touches all aspects of stakeholder empowerment through

multiple community initiatives in the realm of education, employment generation, sanitation along with healthcare, and disaster management. Conducting need-based training for key stakeholders forms a significant part of the foundation's empowerment and financial inclusion strategy. Please refer to the CSR section of the annual report and the sustainability report for details on the Company's intervention through Bharti Foundation.

## PRINCIPLE 5

### Human Rights

Bharti's Code of Conduct is directed towards upholding the highest levels of ethical business practices. Strong commitment to performance with integrity, and human rights are embedded in the Company's policies, which lays down acceptable behaviour on various aspects including human rights. The Code is applicable for all employees, associates and business partners of the Company. Compliance to the Code, the relevant labour laws and human rights regulations applicable in their geographies of operation is a major part of associating with Airtel. No incidences of discrimination or human rights violation were received by the Company's Ombudsperson office in FY 2016-17.

## PRINCIPLE 6

### Protection of the Environment

As one of India's leading telecommunications companies, Airtel understands its responsibility to consistently evaluate the impact of its services, operations and infrastructure partners on the environment. The Company acknowledges the need for constant assessment of its overall influence on energy consumption, greenhouse gas (GHG) emissions and resource optimisation for environmental protection. Airtel is working towards deployment of renewable energy solutions in network towers, installation of rooftop solar panels at Main Switching Centres (MSCs) and captivating green energy generation through solar/wind energy. It is also committed to operating and providing products and services in an environmentally responsible and sustainable manner. The Health, Safety and Environment (HSE) policy specifies its approach towards protection of the environment; the policy is applicable for all employees of the Company and its subsidiaries. In addition, the Company works closely with network infrastructure and facility management partners to identify social and environment risks, and explore innovative ways to lessen energy consumption throughout the organisation. Moreover, this association facilitates a shift to green mobile tower technologies that consume less power. Over the years, there have been various initiatives undertaken to address global environmental issues, promote renewable energy solutions, increase energy efficiency and reduce waste. The emissions or wastes generated by the Company are within the permissible limits specified by Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs). As on March 31, 2017, there were three notices received from CPCB/SPCB which are at various stages of resolution.

Details of the Company's environmental initiatives are available in its annual report and its annual sustainability report at [www.airtel.in/sustainability](http://www.airtel.in/sustainability).

**PRINCIPLE 7****Responsible Policy Advocacy**

The Company works closely with all industry associations and trade chambers to ensure its public policy positions complement and advance its sustainability and citizenship objective. The Company strives to drive digital inclusion, promote green telecom, advance innovation, enhance competitiveness and increase job creation, economic growth and sustainable standards of living. Its policy agenda is centred on the provision of network coverage, affordable access to customers, building transparency and awareness around radiations. Moreover, it deals with creating adaptability of internet, easing and automating subscriber acquisition, quality of service offerings, tariff and environment, among others. As these issues are now being scrutinised and deliberated by a very proactive government, they are likely to have a material impact on the lives of millions.

The Company generally conveys its policy positions through its membership with the Cellular Operators Association of India (COAI). Besides, it is member of other industry associations like Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI). Internationally, Bharti Airtel is a member of the International Telecommunication Union (ITU) and GSM Association (GSMA).

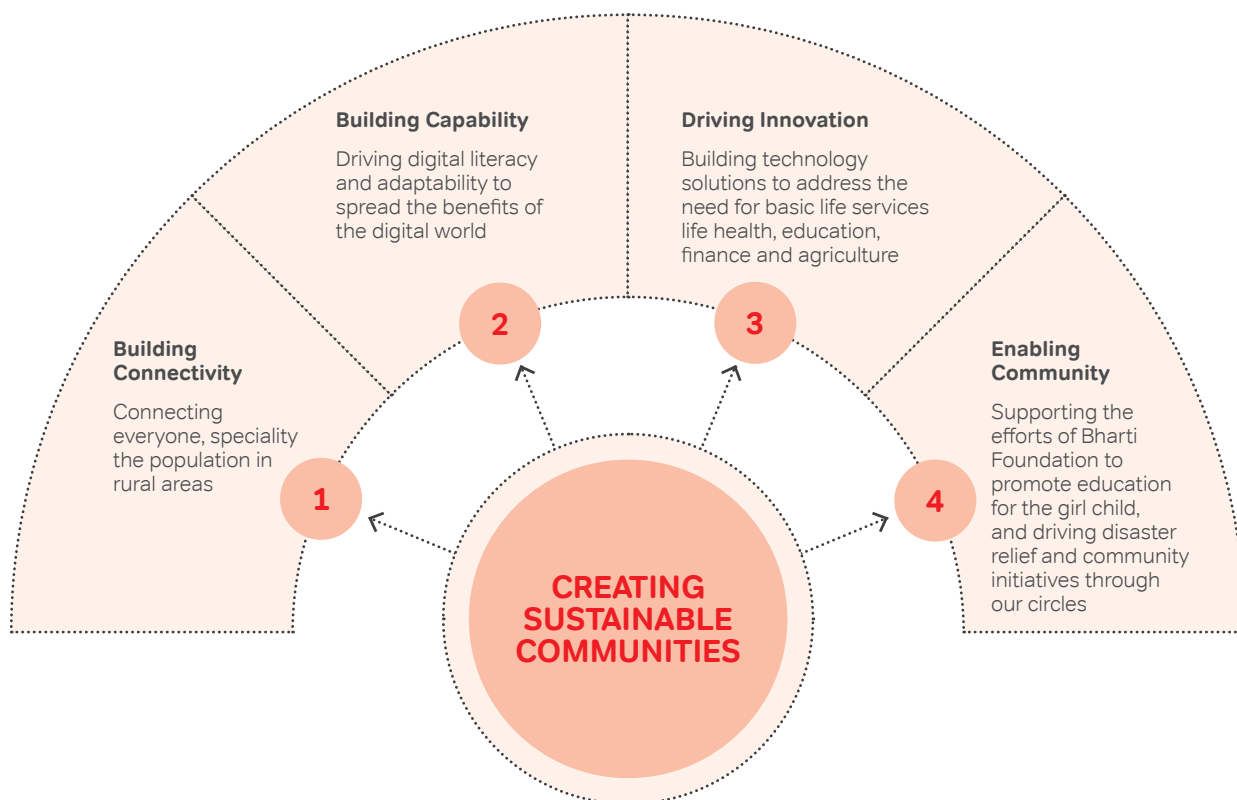
**PRINCIPLE 8****Support Inclusive Growth**

Telecommunication services play a pivotal role in improving governance, communication, security, and disaster relief efforts. Moreover, it can contribute to the overall strengthening of socio-cultural ethos. Bharti Airtel is focussed on creating a sustained, positive and deep-rooted impact on the society through employee volunteerism and CSR efforts, along with Bharti Foundation and various NGOs/associates.

Airtel Sustainability Plan 2020 is the architecture for Airtel's sustainable business. The sustainability framework focuses on maintaining its relationship with the Company's customers, community, partners, planet and people. Airtel aims to actualise its sustainability vision of social inclusion and contribute to a balanced future, while decoupling growth with environmental fallout and increasing its social impact.

Bharti Airtel is committed towards sustainable community development through actively engaging with communities it operates in. It is determined to create a deep-rooted, positive impact on the society at large. Therefore, it proactively applies its competence and partnerships to promote community wellness through initiatives undertaken by the Bharti Foundation.

Education is a critical component for the holistic development of the nation. In a developing country like India, it is a challenge



to ensure elementary education in rural areas, especially for girls. Airtel has recognised this gap and is focused towards actively supporting initiatives of the Bharti Foundation and its flagship programme, the Satya Bharti School Program. The details about this programme are available in the CSR section of the Company's annual report.

**During FY 2016-17, Bharti Airtel made significant contributions towards various philanthropic projects, which include:**

**₹ 924 Mn**

Bharti Foundation towards furtherance of its objectives.

**₹ 52 Mn**

Other contributions

The Satya Bharti School Program involves the communities in which it functions towards the operations of schools. The programme actively engages community members in making monetary and tangible contributions to schools and related activities and events. Donating land for school buildings, erecting boundary walls and pathways, contributing furniture for school usage are some ways community members participate in the programme. In addition, the programme arranges various contact points between parents and the community, such as parent-teacher meetings, home-visits, community-events (Sports Day) to enhance understanding of the education system.

A structured impact assessment study was conducted by a third party to assess the Satya Bharti School Program in 2014. Sample Satya Bharti Schools across Punjab, Haryana and Rajasthan were compared to 15 other schools within their vicinity to ascertain the impact of the programme on children, parents, communities and teachers. The results were very rewarding and provided valuable feedback around expectations of the community to improve delivery of the programme. This year the impact assessment is planned for two of the main projects and the results should be available by the end of the year.

### Impact on the community

#### Impact on children

84.7% of children studying at Satya Bharti Schools were certain of their responses and clear in their communication as compared to 38.0% children studying in other schools.

#### Impact on parents and communities

96% of parents with girl child studying at Satya Bharti School wanted her to pursue higher education compared to 73.7% parents whose girl child go to other schools.

#### PRINCIPLE 9

#### Providing Customer Value

Airtel envisions enriching customer lives through exceptional customer experience and enhanced satisfaction and loyalty. The Company relentlessly strives to provide a world-class network and cost-effective services through innovative products and customer interactions that create a distinctive consumer experience. Airtel recognises that constant feedback is a vital partner in providing great services. The Company measures customer satisfaction progress primarily through the Net Promoter Score (NPS). It is a key performance indicator that gauges how likely a customer will recommend the Company's products. Apart from NPS, the Company uses various mechanisms like social media mentions, feedback over a call or on a point of sale, compliant management or surveys to receive further insights on delivering superior services.

Additionally, Airtel has been communicating mandatory information as specified by the law regarding enrolment and deactivation, tariff, usage, contact and grievance on its welcome kits, periodic bills, enrolment forms, booklets, websites and point of sales displays.

During the last five years no legal cases were filed against the Company for unfair trade practices and irresponsible advertising. In FY 2016-17, three cases were filed against the Company before the Competition Commission of India for anti-competitive behaviour and all of them are pending resolution. In addition to this, 25 complaints were registered with the Advertisements Standards Council of India (ASCI) out of which 24 were resolved successfully as per the process specified in the ASCI rules. Besides, as on March 31, 2017, 778 consumer cases and 0.04% of the customer complaints are at various stages of resolution.



# Board's Report

## Dear Members,

Your Directors have pleasure in presenting the 22<sup>nd</sup> Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2017.

## Company Overview

Bharti Airtel is among the top three mobile service providers globally with presence in 17 countries, including India, Sri Lanka and 15 countries in the African continent.

The Company's diversified service range includes mobile, voice and data solutions, using 2G, 3G and 4G technologies. Its service portfolio comprises Digital TV services, an integrated suite of telecom solutions for its customers, besides providing long distance connectivity in India, Africa and rest of the world. All the services are rendered under a unified brand 'airtel' either directly or through subsidiary companies. 'Airtel Money' (known as 'Airtel Payments Bank' in India) extends product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 15 countries in Africa.

The Company also deploys and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel Limited, which also owns 42% of Indus Towers Limited. Together, Bharti Infratel and Indus Towers are the largest passive infrastructure service providers in India.

## Financial Results

In compliance with the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS) for the FY 2016-17. The standalone and consolidated financial highlights of the Company's operations are as follows:

### Standalone Financial Highlights (Ind AS)

Particulars	FY 2016-17		FY 2015-16	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	622,763	9,273	603,003	9,209
EBITDA before exceptional items	242,242	3,607	226,435	3,458
Cash profit from operations	209,647	3,122	205,096	3,132
Earnings before taxation	(85,095)	(1,267)	102,544	1,566
Net Income/ (Loss)	(99,256)	(1,478)	77,803	1,188

\*1 USD = ₹ 67.16 Exchange Rate for the financial year ended March 31, 2017.

(1 USD = ₹ 65.48 Exchange Rate for the financial year ended March 31, 2016).

### Consolidated Financial Highlights (Ind AS)

Particulars	FY 2016-17		FY 2015-16	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	954,683	14,214	965,321	14,742
EBITDA before exceptional items	356,206	5,304	341,682	5,218
Cash profit from operations	283,668	4,224	289,083	4,415
Earnings before taxation	77,233	1,150	128,463	1,962
Net Income/ (Loss)	37,998	566	60,767	928

\*1 USD = ₹ 67.16 Exchange Rate for the financial year ended March 31, 2017.

(1 USD = ₹ 65.48 Exchange Rate for the financial year ended March 31, 2016).

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis section.

## Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Pursuant to the aforesaid notification, with effect from April 01, 2016, the Company has transitioned to Ind AS and the transition date being April 01, 2015. The transition is carried out from accounting principles generally accepted in India being the previous GAAP. Accordingly, basis the accounting policies and Ind-AS 101 exemptions finalised, the impact of transition has been provided in the opening equity as at April 01, 2015 and figures for the previous year have been adjusted accordingly.

The reconciliation and explanation of the effect of transition to Ind AS are given in detail in note 23 and 29 of the standalone and consolidated financial statements respectively.

## Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2017, it stood at ₹ 19,987 Mn, divided into 3,997,400,102 equity shares of ₹ 5/- each.

Augere Wireless Broadband India Private Limited, a subsidiary company was amalgamated with the Company w.e.f. February 15, 2017. As per the Scheme of Amalgamation, the authorised share capital of Augere Wireless Broadband India Private Limited was transferred to the Company and consequently the authorised share capital of the Company was increased from ₹ 25,000 Mn (divided into 5,000 Mn equity shares of ₹ 5/- each) to ₹ 27,500 Mn (divided into 5,500 Mn equity shares of ₹ 5/- each).

## General Reserve

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2017.

## Dividend

Your Directors have recommended a final dividend of ₹ 1.00 per equity share of ₹ 5 each fully paid-up (20.00 % of face value) for FY 2016-17. The total final dividend payout will amount to ₹ 3,997 Mn, excluding tax on dividend. The payment of final dividend is subject to the approval of shareholders in the Company's ensuing Annual General Meeting (AGM).

The Register of Members and Share Transfer Books will remain closed from Saturday, July 15, 2017 to Monday, July 24, 2017 (both days inclusive) for the purpose of payment of final dividend for the FY 2016-17, if declared at the ensuing AGM.

## Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 500 listed companies are required to formulate a dividend distribution policy. Accordingly, the Company has adopted the dividend distribution policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Policy is enclosed as Annexure J to the Board's Report and is also available on the Company's website at <http://www.airtel.in/wps/wcm/connect/61c3e71e-2df0-4fe6-8c46-a99cba57266a/Airtel-Dividend+Distribution+Policy.pdf?MOD=AJPERES&ContentCache=NONE>.

## Transfer of amount to Investor Education and Protection Fund

During the financial year 2016-17, the Company has transferred the unpaid/unclaimed dividend amounting to ₹ 6.08 Mn to the Investor Education and Protection Fund (IEPF) Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 19, 2016 (date of last Annual General Meeting) on the Company's website [www.airtel.com](http://www.airtel.com).

According to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be credited to the demat account created by the IEPF Authority. The corresponding shares will be transferred as per the requirements of the IEPF Rules, details of which are provided on the Company's website [www.airtel.com](http://www.airtel.com).

## Deposits

The Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding, as on the balance sheet closure date.

## Capital Market Ratings

As on March 31, 2017, the Company was rated by two domestic rating agencies, namely CRISIL and ICRA and three international rating agencies, namely Fitch Ratings, Moody's and S&P.

CRISIL and ICRA maintained their long-term ratings of the Company. As on March 31, 2017, they rate the Company at [CRISIL] AA+/[ICRA] AA+, with a stable outlook. Short-term ratings were maintained at the highest end of the rating scale at [CRISIL] A1+/[ICRA] A1+.

Fitch, S&P and Moody's also maintained the ratings at BBB-/Stable, BBB-/Stable and Baa3/Stable, respectively.

As on March 31, 2017, the Company was rated 'Investment Grade' with a 'Stable' outlook by all three international credit rating agencies.

## Employee Stock Option Plan

At present, the Company has two Employee Stock Options (ESOP) schemes, namely the Employee Stock Option Scheme 2001 and the Employee Stock Option Scheme 2005. Besides attracting talent, the schemes also helped retain talent and experience. The HR and Nomination Committee administers and monitors the Company's ESOP schemes.

Both the ESOP schemes are currently administered through Bharti Airtel Employees Welfare Trust (ESOP Trust), whereby shares held by the Trust are transferred to the employee, upon exercise of stock options as per the terms of the Scheme.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (ESOP Regulations), a disclosure with respect to ESOP Schemes of the Company as on March 31, 2017, is annexed as Annexure A to this report and has also been uploaded on Company's website at <http://www.airtel.in/wps/wcm/connect/c9e25993-5b80-4e80-9874-37614225b876>.

During the previous year, there were no material changes in the aforesaid ESOP Schemes of the Company and the ESOP Schemes are in compliance with ESOP Regulations. A certificate from S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company's ESOP schemes, would be placed before the shareholders at the ensuing AGM. A copy of the same will also be available for inspection at the Company's registered office.

In terms of the provisions of ESOP Regulations, approval of shareholders is being sought for modification of the Employee Stock Option Scheme 2005 with the objective to make the same more beneficial and employee friendly. Accordingly, a proposal has been included in the Notice of 22<sup>nd</sup> Annual General Meeting accompanying this report.

## Material changes and commitments affecting the financial position between the end of financial year and date of report after the balance sheet date

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

## Directors and Key Managerial Personnel

### Inductions, Re-appointments, Retirements & Resignations

Pursuant to the provisions of the Companies Act, 2013, Sheikh Faisal Thani Al-Thani, Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) will be completing his present term as Managing Director of the Company on January 31, 2018. On the recommendation of the HR and Nomination Committee, the Board in its meeting held on May 09, 2017 subject to the approval of shareholders, has re-appointed Mr. Gopal Vittal as Managing Director & CEO (India & South Asia) of the Company for a further term of five years w.e.f. February 01, 2018.

Mr. Manish Kejriwal, Independent Director will be completing his present term as an Independent Director of the Company on September 25, 2017. On the recommendation of the HR and Nomination Committee, the Board in its meeting held on May 09, 2017 subject to the approval of shareholders by special resolution, has re-appointed Mr. Manish Kejriwal as an Independent Director of the Company for a further term of five years w.e.f. September 26, 2017.

Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an annexure to the Notice of the ensuing AGM.

Mr. Rajendra Chopra resigned from the position of Company Secretary w.e.f. January 24, 2017. The Board placed on record its appreciation for the contribution made by him during his tenure. The Board in its meeting held on January 24, 2017 had appointed Mr. Rohit Krishan Puri as the Deputy Company Secretary and the Compliance Officer of the Company w.e.f. January 25, 2017. The Company is in process of identifying and appointing the Company Secretary of the Company. Since as on the date of approval of the financial statements of the Company for the financial year ended March 31, 2017, there was no Company Secretary on the Board, the financial statements appended to this annual report have been signed by the Chairman, the Managing Director & CEO (India & South Asia) and the Global Chief Financial Officer of the Company.

### Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

### Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Board has adopted a policy on 'Nomination, Remuneration and Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at <http://www.airtel.in/wps/wcm/connect/92b49e0e-8810-497a-9c3e-9b80657a3688/Policy-on-Remuneration-Nomination-and-Board-Diversity.pdf?MOD=AJPERES> and is also annexed as Annexure B to this report.

### Annual Board Evaluation and Familiarisation Programme for Board Members

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors, and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Report.

The HR and Nomination Committee has put in place a robust framework for evaluation of the Board, Board-Committees and Individual Directors. Customised questionnaires were

circulated, responses were analyzed and the results of evaluation were subsequently discussed by the Board. Recommendations arising from the evaluation process will be considered by the Board to optimise its effectiveness.

### Committees of Board, Number of Meetings of the Board and Board Committees

The Board of Directors met eight (8) times during the previous financial year. As on March 31, 2017, the Board has eight committees, namely, the Audit & Risk Management Committee, the HR and Nomination Committee, the Corporate Social Responsibility ('CSR') Committee, the Stakeholders' Relationship Committee, the Committee of Directors, the Airtel Corporate Council, the Special Committee of Directors (for Monetisation of stake in Bharti Infratel Limited) and the Special Committee of Directors (for Restructuring of overseas holding structure).

All the recommendations made by committees of the Board including the Audit & Risk Management Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2016-17 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

### Subsidiary, Associate and Joint Venture Companies

As on March 31, 2017, your Company has 96 subsidiaries, 5 associates and 3 joint ventures, as set out in note 32 of the full version Annual Report (for Abridged Annual Report, please refer note 21).

During FY 2016-17, Robi Axiata Limited, Seynse Technologies Private Limited, Aban Green Power Private Limited and Greenenergy Wind Corporation Private Limited became Associates of the Company and Tanzania Telecommunications Limited ceased to be an Associate of the Company.

During FY 2016-17, Airtel Money Tanzania Limited became a subsidiary of the Company. Augure Wireless Broadband India Private Limited was amalgamated with the Company, Airtel Bangladesh Limited was amalgamated with Robi Axiata Limited, Bharti Airtel Holdings (Singapore) Pte. Ltd was amalgamated with Bharti International (Singapore) Pte. Ltd and Warid Telecom Uganda Limited was amalgamated with Airtel Uganda Limited. Airtel (SL) Limited, Airtel Burkina Faso S.A., Airtel DTH Services (SL) Limited, Airtel Mobile Commerce (SL) Limited, Airtel Mobile Commerce Burkina Faso S.A., Bharti Airtel Sierra Leone Holdings B.V., Airtel Towers (Ghana) Limited, Airtel Towers (S.L.) Company Limited, Congo Towers S.A. and Tchad Towers S.A. ceased to be subsidiaries of the Company. During the financial year the Company has transferred its entire shareholding in Bharti Airtel International (Mauritius) Limited, a subsidiary company to Network i2i Limited, another subsidiary company and has also transferred its 908,443,918 shares in Bharti Airtel International (Netherlands) B.V., a subsidiary company to Network i2i Limited, another subsidiary company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies is annexed to the Abridged and full version Annual Report. The statement also provides the details of performance and financial position of each of the subsidiary, associate and joint venture.



The audited financial statements of each of its subsidiary, associate and joint venture companies are available for inspection at the Company's registered office and also at registered offices of the respective companies and pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of each of its subsidiary companies are also available on the Company's website [www.airtel.com](http://www.airtel.com).

Copies of the annual accounts of the subsidiary, associate and joint venture companies will also be made available to the investors of Bharti Airtel and those of the respective companies upon request.

### Abridged Annual Report

In terms of the provision of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for FY 2016-17, who have not registered their e-mail id. The Abridged Annual Report is being circulated to the members excluding Annexures to the Board's Report viz. the 'disclosure on ESOPs', 'Policy on Nomination, Remuneration and Board Diversity', 'Secretarial Audit Report', 'Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013', 'Dividend Distribution Policy', 'Business Responsibility Report', 'Report on Corporate Governance and Auditors' Certificate on compliance of conditions of Corporate Governance', 'Extract of Annual Return', 'Note on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo' and 'Disclosures relating to remuneration u/s 197(12) read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014'.

Members who desire to obtain the full version of the report may write to the Corporate Secretarial Department at the registered office address and will be provided with a copy of the same. Full version of the Annual Report will also be available on the Company's website [www.airtel.com](http://www.airtel.com).

### Auditors and Auditors' Report Statutory Auditors

Under Section 139 of the Companies Act, 2013, and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. S. R. Batliboi & Associates LLP, Chartered Accountants, shall be completing their tenure as the Company's Statutory Auditors and shall hold office till the conclusion of ensuing 22<sup>nd</sup> AGM.

On the recommendation of the Audit & Risk Management Committee, the Board, in its meeting held on May 09, 2017, subject to the approval of the shareholders, has recommended the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W-W100018) ('Deloitte') as the Statutory Auditors of the Company. Deloitte will hold office for a term of five consecutive years i.e. from the conclusion of ensuing 22<sup>nd</sup> AGM till the conclusion of 27<sup>th</sup> AGM, subject to ratification by the members at every AGM. Accordingly, the appointment of Deloitte as the Company's Statutory Auditors, is placed for approval of the members. The Company has received a certificate from Deloitte to the effect that their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report.

As regards the comments under para i(a) of the Annexure 1 to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets, the Company is in the process of executing a comprehensive project with the involvement of technical experts, for deploying automated tools and processes which will enable near real-time tracking of fixed assets and reconciliation thereto. This project is expected to be completed by next year.

### Cost Auditors

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the appointment of R.J. Goel & Co., Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2018. The Cost Auditors will submit their report for the FY 2016-17 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

### Secretarial Auditors

The Company had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2017. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Audit Report is annexed as Annexure C to this report.

The Board has re-appointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for FY 2017-18.

### Sustainability Journey

Over the past few years, sustainability has not only been an integral part but also invariably complimentary to Airtel's business agenda. Airtel's sustainability journey endeavours to contribute further to its society and environment. The Company made social inclusion as a cornerstone of its sustainably of its programme in order to create value across its entire value chain. To drive this Agenda, Airtel has an undivided focus on bridging the digital divide and ensuring that millions more are empowered through sustainable social and economic development. It has been pushing boundaries and changing the business paradigms across industries by enabling the growth of sectors like finance and banking, education, health, agriculture, and put in place innovative ways to reduce the carbon footprint. Airtel has been strengthening its efforts to reiterate its commitments towards bringing a positive transformation by enabling digital inclusion, well-being of communities and enriching their lives through its core competencies. It is passionate to actively support Bharti Foundation and its educational and other initiatives.

Airtel's sustainability and business responsibility initiatives have been detailed in its sustainability Reports, which can be downloaded from the Company's website <http://www.airtel.in/sustainability-file/home.html>.

## Corporate Social Responsibility (CSR)

At Bharti Airtel, Corporate Social Responsibility (CSR) encompasses much more than social outreach programmes. It lies at the heart of the Company's business operations. Over the years, the Company has aligned its business processes and goals to make a more deep-rooted impact on the society's sustainable development.

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Report.

The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at <http://www.airtel.in/wps/wcm/connect/fd7b3172-02e5-4e25-af7e-51d64cc17534/CSR+Policy.pdf?MOD=AJPERES&ContentCache=NONE>

During FY 2016-17, the Company has contributed ₹ 55.84 Mn under Section 135 of Companies Act, 2013. Further, the Company has also contributed ₹ 899.42 Mn to Bharti Foundation for promotion of education of underprivileged children under Section 35AC of the Income Tax Act, 1961 and has also contributed ₹ 20.33 Mn to various other charitable institutions. The consolidated contribution of the Company towards various CSR activities during the FY 2016-17 was ₹ 975.59 Mn (i.e. 0.94% of net profit of last three years). The Company has increased/scaled up its CSR intervention in the areas prescribed in the Company's CSR policy and there was an increase of approx. 69.67% in the total CSR spend vis-à-vis last year i.e. from ₹ 575 Mn in FY 2015-16 to ₹ 975.59 Mn this year.

As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. Being the initial years, the Company was in the process of evaluating the focus areas/locations of intervention for CSR activities to cater to the present needs of the society and deliver optimal impact.

A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility and Sustainability Report, which forms part of the Annual Report.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as Annexure D to this Report.

## Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report.

## Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

## Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report.

A certificate from S. R. Batliboi & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed as Annexure I to this report.

## Risk Management

Risk management is embedded in Bharti Airtel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the Group and prioritise relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit & Risk Management Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The Internal Audit function is responsible to assist the Audit & Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

Operationally, risk is being managed at the top level by Management Boards in India and South Asia and in Africa (AMB and Africa Exco) and at operating level by Executive Committees of Circles in India and Operating Companies in the international operations.

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

## Internal Financial Controls and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

## Other Statutory Disclosures

### Vigil Mechanism

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's website at <http://www.airtel.in/about-bharti/investor-relations/corporate-governance>.

A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

### Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in form MGT-9 is annexed herewith as Annexure E to this report.

### Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of note 10, 22 and 8 respectively to the financial statements provided in the full version of the Annual Report.

### Related Party Transactions

A detailed note on the procedure adopted by the Company in dealing with contracts and arrangements with Related Parties is provided in the Report on Corporate Governance, which forms part of this Annual Report.

All arrangements / transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any arrangement/transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable. However, names of Related Parties and details of transactions with them have been included in note 32 of the financial statements provided in the full version of the Annual Report and note 21 of the financial statements provided in abridged version of the Annual Report under Indian Accounting Standard 24.

The Policy on the Related Party Transactions is available on the Company's website at <http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BALPolicy-on-Related-PartyTransactions.pdf?MOD=AJPERES>

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure F to this report.

### Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure G to this report.

The information, as required to be provided in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure H to this report.

### Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Acknowledgements

The Board wishes to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 15 countries in Africa, Company's bankers and business associates, for the assistance, co-operation and encouragement extended to the Company.

The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz., Bharti Telecom Limited, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

**For and on behalf of the Board**

Place: New Delhi  
Date: May 9, 2017

**Sunil Bharti Mittal**  
Chairman



## Information regarding Employees Stock Schemes (As on March 31, 2017)

## Annexure A

Sl. No.	Particulars	ESOP Scheme 2001	ESOP Scheme 2005
A.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer note no. 24 of notes to the accounts.	
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian 'Accounting Standard 33 - Earnings Per Share' or any other relevant accounting standards as prescribed from time to time	N.A.	N.A.
C.	Details related to ESOS		
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:		
(a)	Date of shareholders' approval	February 27, 2001	September 06, 2005
(b)	Total number of options approved under the scheme	31,680,000	18,734,552
(c)	Vesting requirements	1-5 years	1-5 years
(d)	Exercise price / Pricing formula	29,015,686@11.25 1,760,000@0.45 4,380,000@35.00 142,530@0.00 5,541,862@5.00 40,000@60.00 25,000@110.50	Exercise Price not less than the par value of the Equity Share and not more than the price prescribed under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on grant date
(e)	Maximum term of options granted	7 years from the grant date	7 years from the grant date
(f)	Source of shares	Primary	Secondary
(g)	Variation in terms of ESOPs	NIL	NIL
(ii)	Method used to account for ESOS - Intrinsic or fair value	The Company uses the fair value based method of accounting for stock options which is in accordance with Ind AS 102.	
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.	N.A.
(iv)	Options Movement during the year		
	Number of options outstanding at the beginning of the period	304,635	2,526,286
	Number of options granted during the year	-	820,369
	Number of options forfeited / lapsed	-	868,912
	Number of options vested during the year	106,250	468,514
	Number of options exercised during the year	100,000	436,774
	Number of shares arising as a result of exercise of options	-	-
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Since ESOP Schemes are implemented through trust, the same is not applicable.	
	Loan repaid by the Trust during the year from exercise price received	₹ 158,015,319	
	Number of options outstanding at the end of the year	204,635	2,040,969
	Number of options exercisable at the end of the year	35,885	396,746
(v)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.		
(a)	Weighted average exercise price	₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5	₹ 195
(b)	Weighted average fair value	NA; NA; NA; NA; ₹ 268.20; ₹ 84.43; ₹ 357.63	₹ 200.82

Sl. No.	Particulars	ESOP Scheme 2001	ESOP Scheme 2005
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -		
	(a) Senior Managerial Personnel:		
	i. Mr. Gopal Vittal (MD & CEO - India & South Asia)	-	150,000
	ii. Mr. V. M. Raj Pudipeddi (Director - Consumer Business & CMO)	-	113,449
	iii. Mr. Krishnan Govindan (Chief Contact Experience)	-	58,340
	iv. Mr. Tushar Vijay Kamat (CEO - Major Accounts)	-	55,562
	v. Mr. Ashish Goenka (Financial Controller - NSG)	-	50,448
	vi. Mr. Ajai Puri (Chief Operating Officer - India & South Asia)	-	45,870
	vii. Mr. Ashok Ganapathy (Director - Airtel Business)	-	31,618
	viii. Ms. Harmeen Mehta (Global CIO)	-	30,282
	ix. Mr. Sarang Kanade (Director - Customer Experience)	-	23,809
	x. Mr. Sunil Taldar (Director - DTH)	-	23,284
	xi. Mr. Moti Gyamlani (Director - Supply Chain)	-	20,144
	xii. Mr. Badal Bagri (CFO - India & SA)	-	19,449
	xiii. Mr. Srikanth Balachandran (Global CHRO)	-	17,046
	xiv. Mr. Nilanjan Roy (Global CFO)	-	15,682
	xv. Mr. Ajay Chitkara (Director - Global Voice & Data Business)	-	14,841
	xvi. Mr. Amit Anchal (Head - Business Development)	-	5,242
	xvii. Mr. Abhay Savargaonkar (Director - Networks & CTO)	-	4,899
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	N.A.	N.A.
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	N.A.	N.A.
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Black Scholes	
	(a) i. Weighted-average values of share price	₹ 351.9 per equity share	
	ii. Weighted-average exercise price	₹ 5	
	iii. Expected volatility	27.59%	
	iv. Expected option life	48 to 60 months	
	v. Expected dividends	44% (Dividend yield of 0.63%)	
	vi. Risk-free interest rate and any other inputs to the model	5.79% to 6.86% (The Government Securities curve yields are considered as on valuation date)	
	(b) Method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable	
	(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	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.	
D.	Details related to ESPS	N.A.	
E.	Details related to SAR	N.A.	

Sl. No.	Particulars	ESOP Scheme 2001	ESOP Scheme 2005
F.	Details related to GEBS / RBS		N.A.
G.	Details related to Trust		
	The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:		
(i)	General information on all schemes		
	Sl. No. Particulars		
	1 Name of the Trust	Bharti Airtel Employees Welfare Trust	
	2 Details of the Trustee(s)	S. Balasubramanian; Sameer Chugh and Aditya Kohli	
	3 Amount of loan disbursed by company / any company in the group, during the year	Nil	
	4 Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 350 Mn	
	5 Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil	
	6 Any other contribution made to the Trust during the year	Nil	
(ii)	Brief details of transactions in shares by the Trust		
	(a) Number of shares held at the beginning of the year.	380,000	1,501,958
	(b) Number of shares acquired during the year through:		
	(i) primary issuance; and	Nil	Nil
	(ii) secondary acquisition also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share.	Nil	Nil
	(c) Number of shares transferred to the employees / sold along with the purpose thereof.	100,000	436,774
	(d) Number of shares held at the end of the year.	280,000	1,065,184
(iii)	In case of secondary acquisition of shares by the Trust		
	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained	
	Held at the beginning of the year	.01%	.04%
	Acquired during the year	-	-
	Sold during the year	-	-
	Transferred to the employees during the year	.00%	.01%
	Held at the end of the year	.01%	.03%

## Notes:

- Both the ESOP schemes of the Company viz. ESOP Scheme 2001 and ESOP Scheme 2005 are in compliance with SEBI (Share Based Employees Benefits) Regulations, 2014.
- Disclosure in notes to accounts is as per Ind AS 102 - Share Based payment.
- The options granted to the Senior Managerial Personnel under both the schemes are subject to the adjustments as per the terms of respective ESOPs Scheme / Plan.

## Nomination, Remuneration and Board Diversity Policy

## Annexure B

### Preamble

The Board of Directors (the "Board") on the recommendation of the HR & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, and Clause 49 of the Listing Agreements with the Stock Exchanges.

### Objectives

The main objectives of this Policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in Senior Management positions.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration of Directors, KMPs and other senior management personnel's, keeping in view all relevant factors including industry trends and practices.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of the Company's target.

### A. Attributes, Qualifications and Diversity

#### Directors and Key Managerial Personnel

The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Airtel, subject to a minimum of 3 and maximum of 15, including woman Directors. The Board shall have an appropriate combination of Executive, Non-Executive and Independent Directors. The Board shall appoint a Chairman and a Managing Director or CEO and the roles of Chairman and Managing Director or CEO shall not be exercised by the same individual.

While evaluating a person for appointment / re-appointment as Director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed Director satisfies the following additional criteria:

- Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act, 2013, and the Listing Agreements.

- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreements and other applicable laws.
- Should not hold the position of Independent Director in more than six Indian listed companies and if serving as Whole-time Director in any Indian listed company then in not more than three Indian listed companies.
- Should not hold any Board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

The re-appointment / extension of term of any Board members shall be on the basis of their performance evaluation report.

### Senior Management

While evaluating a person for appointment / re-appointment in a senior management position, the management shall consider various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Executive Directors, including all functional heads.

### B. Remuneration Policy

#### Board Members

The overall limits of remuneration of the Board members including Executive Board members (i.e. Managing Director, Whole-time Director, Executive Directors etc.) are governed by the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc.



**Non-Executive Directors including Independent Directors**

Pursuant to the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and the shareholders' approval, the Board has approved the following remuneration for Non-Executive Directors (including Independent Directors):

- i. **Profit-linked Commission (Payable annually after approval of the financial results for the year)**
- o **Non-Executive Directors who are nominees of shareholders:**
  - USD 60,000/- per annum for Directors not residing in India.
  - ₹ 3,000,000/- per annum for Directors residing in India.
- o **Independent Non-Executive Directors:**
  - USD 100,000/- per annum for Directors not residing in India.
  - ₹ 5,000,000/- per annum for those residing in India.
- o **Chairman – Audit & Risk Management Committee, and HR and Nomination Committee:**
  - not residing in India – additional USD 100,000/- per annum.
  - residing in India – additional ₹ 3,000,000/- per annum
- o **Chairman – Technology Committee:**
  - additional USD 150,000/- per annum.
- o **Committee Membership Fee (per committee):**
  - not residing in India – additional USD 10,000/- per annum.
  - residing in India – additional ₹ 500,000/- per annum.
- o **Travel fee if not residing in India:**
  - USD 10,000 per meeting.

**ii. Sitting Fees**

In addition to the profit linked commission, the Independent Directors will also be entitled to sitting fee of ₹ 100,000/- for all Board meetings and all Committee meetings held in a single day. For avoidance of doubt, in case an Independent Director attends more than one Board and / or Committee meeting in a day, he will be paid consolidated sitting fee of ₹ 100,000/- for all such meetings. If the Board appoint any person as an alternate Director to an Independent Director, such person will be entitled to sitting fee for the relevant meeting.

**Executive Board Members (Managing Director, Whole-time Director, Executive Directors etc.)**

The remuneration (including revision in the remuneration) of Executive Board members shall be approved by the Board on the basis of the recommendation of the HR and Nomination Committee.

The remuneration payable to Executive Board members shall consist of (a) Fixed Pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective Business Unit and the overall Company's performance (c) Long term incentive / ESOPs as may be decided by the HR & Nomination Committee from time to time.

**Remuneration to Key Managerial Personnel (other than Managing Director and Whole-time Director), Senior Management and other employees**

The remuneration of Key Managerial Personnel (other than Managing Director and Whole-time Director), shall be as per the compensation and appraisal policy of the Company.

The remuneration payable to key managerial personnel (other than Managing Director and Whole-time Director), senior management and other employees shall consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company performance (c) Long term incentive / ESOPs as may be decided by the Committee from time to time.

**Disclosures by the Company**

This Policy shall be disclosed in the Company's Annual Report.

**General**

The Group Director – HR and the Company Secretary are jointly authorised to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or Security Exchange Board of India w.r.t. Directors' any matter covered by this policy. The amended policy shall be placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Group General Counsel and Company Secretary at [compliance.officer@bharti.in](mailto:compliance.officer@bharti.in).

**Secretarial Audit Report (For the financial year ended March 31, 2017)****Annexure C**

The Members,

**Bharti Airtel Limited**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharti Airtel Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not Applicable
- (6) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their Sectors/ Businesses are:

- a) The Indian Telegraph Act, 1885
- b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder
- c) The Indian Wireless Telegraphy Act, 1933

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Augere Wireless Broadband Private Limited has amalgamated with the Company vide Hon'ble High Court order dated 19.12.2016.
2. Restructuring of Overseas Subsidiaries.
3. Scheme of amalgamation of Telenor India Communications Private Limited with the Company was approved, subject to necessary approvals.

4. Inter-se transfer of 11.32% stake (209,416,643 equity shares) in Bharti Infratel Limited to Nettle Infrastructure Investments Limited, a wholly owned subsidiary of the Company and Secondary sale of 10.3% stake (19,05,83,357 equity shares) in Bharti Infratel Limited to a consortium of KKR & Canada Pension Plan Investment Board.

Chandrasekaran Associates  
Company Secretaries

**Dr. S. Chandrasekaran**  
Senior Partner

Place: New Delhi  
Date: 28.04.2017

Membership No. FCS No.: 1644  
Certificate of Practice No.: 715

Note: This report is to be read with our letter of even date which is annexed as Annexure - A to this report and forms an integral part of this report.

## Annexure-A to the Secretarial Audit Report

The Members

### **Bharti Airtel Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Chandrasekaran Associates  
Company Secretaries

**Dr. S. Chandrasekaran**  
Senior Partner

Place: New Delhi  
Date: 28.04.2017

Membership No. FCS No.: 1644  
Certificate of Practice No.: 715

## The Annual Report on Corporate Social Responsibility (CSR) Activities

## Annexure D

**1. Brief Outline of Company's CSR Policy**

At Bharti Airtel, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The CSR policy of the Company which is available on the website of the Company was adopted by the Board of Directors on April 29, 2014. The Company's CSR activities center around promoting education with special emphasis on girl child, livelihood enhancement education programs, eradicating hunger, promoting preventive health care and sanitation and providing legal assistance to underprivileged undertrials. Bharti Airtel's CSR activities are committed to create and support programs that bring about sustainable changes through education.

The detailed CSR Policy of the Company is available on Company's website at: <http://www.airtel.in/wps/wcm/connect/fd7b3172-02e5-4e25-af7e-51d64cc17534/CSR+Policy.pdf?MOD=AJPERES&ContentCache=NONE>

The overview of various CSR projects and programs undertaken by the Company has been provided in the Corporate Social Responsibility & Sustainability section of this Annual Report.

**2. Composition of CSR Committee**

Name	Category
Rakesh Bharti Mittal, Chairman	Non-Executive Director
D. K. Mittal	Independent Director
Gopal Vittal	Managing Director & CEO (India & South Asia)

(₹ Millions)

**3. Average net profit before tax of the Company for last three financial years**

103,937

**4. Prescribed CSR Expenditure (2% of the amount as above)**

2,079

**5. Details of CSR spent during the year**

a) Total amount to be spent for the financial year:	2,079
i) Amount spent towards CSR activities	55.84
ii) Amount spent towards other charitable activities	919.75
b) Amount Unspent	2023.16*

\* The Company has contributed ₹ 55.84 Mn. as CSR contribution of under Section 135 of Companies Act, 2013. In addition the Company has also contributed ₹ 899.42 Mn. under Section 35AC of the Income Tax Act, 1961 and has further contributed ₹ 20.33 Mn. to various other charitable institutions. The consolidated contribution of the Company towards various CSR program during the financial year 2016-17 is ₹ 975.59 Mn. (i.e. 0.94% of net profit of last three years).

c) Manner in which amount spent during the financial year:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
<b>Eligible CSR Programs / Projects</b>							
1.	Vocational training program for hearing impaired young adults	Employment enhancement vocation skills to differently abled	Delhi	23.20	11.60	11.60	Centum Foundation
2.	Partition Museum	Restoration and establishment of building of historical importance	Amritsar, Punjab	10.00	05.00	05.00	Direct
3.	Nyaya Bharti initiative	Promoting measures for reducing inequalities faced by economically backward groups	Delhi and NCR region	100.00	11.55	11.55	Bharti Foundation
4.	Footwear Design and Development skill to youth	Employment enhancing vocation skills	Chhindwara, Madhya Pradesh	10.00	09.14	16.04	Centum Foundation
5.	Crop science research and development program	Livelihood enhancement Program	Punjab	22.50	13.25	13.25	Bharti Foundation



Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
<b>Eligible CSR Programs / Projects</b>							
6.	Anubandh - Old Age Home	Setting up and supporting old age homes	Jodhpur, Rajasthan	03.00	03.00	05.00	Direct
7.	Magic Bus Foundation	Promotion of education	Delhi and Mumbai	02.50	02.30	02.30	Direct
	<b>Total</b>			<b>171.20</b>	<b>55.84</b>	<b>64.74</b>	
<b>Other Contributions</b>							
1.	Satya Bharti School Program	Promotion of education	Specified below*	656.82	656.82	1,382.61*	Bharti Foundation
2.	Educate a Child	Promotion of education	Specified below**	242.60	242.60	242.60	Bharti Foundation
3.	Miscellaneous	Miscellaneous	Miscellaneous	20.33	20.33	20.33	Direct
	<b>Total</b>			<b>919.75</b>	<b>919.75</b>	<b>1,645.54</b>	
	<b>Grand Total</b>			<b>1090.95</b>	<b>975.59</b>	<b>1,710.28</b>	

\* District / State wise details of Satya Bharti School Program - Kaithal, Kurukshetra, Jhajjar, Mahendergarh, Rewari in Haryana; Amritsar, Ludhiana, Sangrur in Punjab; Amer, Neemrana, Jodhpur in Rajasthan; Sivaganga in Tamil Nadu; Farrukhabad, Bulandshehar, Shahjahanpur in Uttar Pradesh and Murshidabad in West Bengal. District / State wise details of Satya Bharti Learning Centres – Barmer, Sawaimadhopur, Jodhpur in Rajasthan; Barwani, Jhabua in Madhya Pradesh and Deoghar, Dumka, Godda, Pakur, Sahibganj in Jharkhand. District /State wise details of Quality Support Program – Gurgaon, Rewari, Mahendergarh, Kurukshetra, Karnal in Haryana; Bhatinda, Fazilka in Punjab; Jodhpur, Tonk in Rajasthan; North West, South West and West Delhi in Delhi; Anantnag, Badgam, Bandipori, Baramulla, Gandarbal, Jammu, Kargil, Kulgam, Kupwara, Leh, Poonch, Pulwama, Rajouri and Shopian in Jammu & Kashmir; North and South Goa in Goa; Rajanna Sircilla in Telangana.

\*\* Haryana, Delhi and NCR Region, Bihar, Gujarat, Uttar Pradesh, Rajasthan and Madhya Pradesh.

# The Company has contributed ₹ 404.90 Mn. and ₹ 314.79 Mn. in financial year 2015-16 and 2014-15 respectively to Bharti Foundation for its Satya Bharti School Program under Section 135 of the Companies Act, 2013. In addition the Company had also contributed ₹ 210.00 Mn and ₹ 06.10 Mn. in financial year 2015-16 and 2014-15 respectively to Bharti Foundation for its Satya Bharti Abhiyan (sanitation program).

## 6. Reason for not spending the prescribed 2% amount

On the recommendation of the CSR Committee and the Board, the Company has in addition to the CSR contribution of ₹ 55.84 Mn. under Section 135 of Companies Act, 2013, has also contributed ₹ 899.42 Mn. to Bharti Foundation for promotion of education of underprivileged children under Section 35AC of the Income Tax Act, 1961 and has further contributed ₹ 20.33 Mn. to various charitable institutions during the financial year 2016-17. The said contributions amounting ₹ 899.42 Mn. by the Company are as prescribed under Schedule VII of the Companies Act, 2013 and represents 0.87% of the net profit before tax of the Company for last three financial years. However, since the Company has availed a benefit under Section 35AC of Income Tax Act, 1961, the same is treated as other contribution by the Company and not considered towards prescribed 2% CSR contribution under Section 135 of Companies Act, 2013.

The consolidated contribution of the Company towards various CSR activities during the financial year 2016-17 is ₹ 975.59 Mn. (i.e. 0.94% of net profit of last three years). Accordingly, the Company has increased / scaled up its CSR contribution by approx. 69.67% vis-à-vis ₹ 575.00 Mn. in financial year 2015-16.

During the financial year 2016-17, Bharti Airtel Limited has contributed ₹ 11.55 Mn. towards Nyaya Bharti, a one of its kind initiative to provide legal and financial assistance to underprivileged undertrials languishing in jails across the country for petty offences. During the financial year 2016-17, Nyaya Bharti has been instrumental in release of 45 undertrials lodged in Tihar, Rohini and Dasna (Ghaziabad) jails. In the coming years, Nyaya Bharti will focus on expanding its footprints in the state of Punjab and Rajasthan as well and it is expected that the Company's contribution will increase in the coming years.

The Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible company, your Company is committed to increase its CSR impact and spend over the coming years, with the aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

## Responsibility statement of the CSR Committee

The Committee confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and policy of the Company.

**Gopal Vittal**  
Managing Director & CEO (India & South Asia)

**Rakesh Bharti Mittal**  
Chairman  
CSR Committee

## Extract of Annual Return

## Annexure E

## Form No. MGT-9

as on the financial year ended on March 31, 2017

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

## I. Registration and Other Details:

CIN	L74899DL1995PLC070609
Registration Date	July 07, 1995
Name of the Company	Bharti Airtel Limited
Category of the Company	Limited by shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered office and contact details	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070. Phone : +91 11 4666 6100
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India. Phone : +91 040 6716 2222

## II. Principal Business Activities of the Company

Businesses contributing 10% or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products/services	NIC Code of the product/service*	% to total turnover of the company
1	Wireless telecommunications activities	612	91.02%

Note: \* As per National Industrial Classification – Ministry of Statistics and Programme Implementation.

## III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
<b>Subsidiary Companies u/s 2(87)(ii) of the Companies Act, 2013</b>				
1	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64201DL1997PLC091001	100
2	Bharti Hexacom Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U74899DL1995PLC067527	70
3	Bharti Infratel Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	L64201DL2006PLC156038	61.65
4	SmarTx Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64202DL2015PLC285515	61.65
5	Indo Teleports Limited (Formerly known as Bharti Teleports Limited)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U32204DL2008PLC183976	95
6	Bharti Telemedia Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U92200DL2006PLC156075	95
7	Airtel Payments Bank Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64200DL2010PLC201058	80.10
8	Telesonic Networks Limited	4th Floor, 'C' Wing, Airtel Centre, Plot No. 16, Phase - IV, Udyog Vihar, Gurgaon - 122 015, Haryana, India.	U64200HR2009PLC039237	100
9	Nxtra Data Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U72200DL2013PLC254747	100
10	Wynk Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U74140DL2015PLC275325	100

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
11	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited) w.e.f. March 14, 2017	3rd Floor, Worldmark 2 Asset 8, Aerocity, NH-8 New Delhi	U93000DL2010PLC301236	100
12	Bharti Airtel (France) SAS	88, Ter Avenue Général Leclerc – 92100 Boulogne Billancourt	RCS Nanterre 523 035 426	100
13	Bharti Airtel (Hong Kong) Limited	4th Floor, Cheung Hing Industrial Building, 12P Smithfield Road, Kennedy Town, Hong Kong	1080074	100
14	Bharti Airtel (Japan) Kabushiki Kaisha	Shinjuku Park Tower, 30th Floor, 7-1, Nishi Shinjuku 3-chome, Shinjuku-ku, Tokyo	0111-01-055989	100
15	Bharti Airtel (UK) Limited	26, Red Lion Square, London, WC1R 4AG, United Kingdom	5917314	100
16	Bharti Airtel (USA) Limited	335, Madison Avenue 12th floor, New York 10017	F-060912000-217	100
17	Bharti Airtel International (Mauritius) Limited	Cim Corporate Services Ltd, Les Cascade Building, Edith Cavell Street, Port Louis, Mauritius	094380 CI/GBL	100
18	Bharti Airtel International (Netherlands) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34387410	100
19	Bharti Airtel Lanka (Private) Limited	Level 11, West Tower, World Trade Centre, Echelon Square Colombo 1, Sri Lanka	PV10652	100
20	Bharti Infratel Lanka (Private) Limited (under process of striking off)	Level 11, West Tower, World Trade Centre, Echelon Square Colombo 1, Sri Lanka	PV63290	100
21	Bharti International (Singapore) Pte Ltd	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2010-05788-R	100
22	Network i2i Limited	Cim Corporate Services Ltd, Les Cascade Building, Edith Cavell Street, Port Louis, Mauritius.	25951/6339	100
23	Africa Towers N.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	50979965	100
24	Africa Towers Services Limited (under liquidation)	Parkside Towers, Mombasa Road, Plot Nr. LR 209-11880, PB 73146-00200, Nairobi, Kenya	CPR/2011/56039	100
25	Airtel (Ghana) Limited	2nd-4th Floors GNAT Heights, No. 30 Independence Avenue, North Ridge, Accra, Ghana.	C-71,259	99.89
26	Airtel (Seychelles) Limited	P.O. Box 1358, Emerald House, Providence, East Coast, Victoria, Mahe, Seychelles	841930-1	100
27	Airtel Congo S.A.	2ème étage, Immeuble SCI MONTE CRISTO, Rond-point de la Gare, Croisement du Boulevard Denis SASSOU NGUESSO et de l'avenue Orsy, B.P : 1038, Brazzaville - République du Congo	CG/BZV/07 B299	90
28	Airtel Gabon S.A.	Rue Pecqueur, Immeuble Libreville Business Square, B.P. 9259, Libreville, Gabon	2001/B01 000	90
29	Airtel Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, 101 - Anatanarivo, Madagascar	97B00392	100
30	Airtel Malawi Limited	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	5114	100
31	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34375413	100
32	Airtel Mobile Commerce Ghana Limited	30 Independence Avenue, North Ridge/GNAT Heights, Accra, Ghana	CA 62, 772	99.89

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
33	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34381129	100
34	Airtel Mobile Commerce Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	C 169576	100
35	Airtel Mobile Commerce Limited (Malawi)	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	9831	100
36	Airtel Mobile Commerce Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, 101 - Anatanarivo, Madagascar	2011B00235	100
37	Airtel Mobile Commerce Rwanda Limited	Gasabo District, Remera, Nyabisindu, Kigali, Rwanda	102933620	100
38	Airtel Mobile Commerce (Seychelles) Limited	Emerald House, Providence, Victoria, P.O. Box 1358, Mahe, Seychelles	8412656-1	100
39	Airtel Mobile Commerce Tanzania Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road / Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	79802	100
40	Airtel Mobile Commerce Tchad SARL	Avenue Charles De Gaulle, BP: 5665, N'Djamena, Tchad	TC/NDJ/10B 183	100
41	Airtel Mobile Commerce Uganda Limited	Airtel House, Plot 16A, Clement Hill Road, Nakasero, Kampala, P. O. Box 6771, Kampala - Uganda	123833	100
42	Airtel Mobile Commerce Zambia Limited	Plot 2375, Airtel House, Corner Addis Abada Drive and Great East Road, Lusaka, Zambia	80052	100
43	Airtel Money RDC S.A.	127, Avenue de Plateau, Gombe, Kinhasa, Republique Democratique du Congo, Congo DRC	KG7602/M	100
44	Airtel Money Niger S.A.	2054, Route de l'aéroport, B.P. 11922 Niamey, Niger	NI-NIA 2009-B-1848	90
45	Airtel Money S.A. (Gabon)	Avenue de Colonel Parrant, BP 23 899 Libreville, Gabon	RG LBV 2101 B 09955	100
46	Airtel Networks Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	C. 140223	100
47	Airtel Networks Limited	Plot L2, Banana Island, Foreshore Estate/Ikoyi Lagos, Nigeria	398557	83.25
48	Airtel Networks Zambia Plc	Plot 2375, Airtel House, Corner Addis Ababa Drive and Great East Road, Lusaka, Zambia	38136	96.36
49	Airtel Rwanda Limited	Airtel Building, Gasabo District, Remera, Nyabisindu, P.O. Box 4164, Kigali, Rwanda	102437818	100
50	Airtel Tanzania Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road/Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	41291	60
51	Airtel Tchad S.A.	Avenue Charles De Gaulle, BP: 5665, N'Djamena, Tchad	TC/NDJ/10B127	100
52	Airtel Uganda Limited	Airtel Towers, Plot 16A, Clement Hill Road, Nakasero P.O. Box 6771, Kampala-Uganda	V-232-36	100
53	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076497	100
54	Bharti Airtel Burkina Faso Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077622	100
55	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125184	100
56	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077621	100
57	Bharti Airtel Developers Forum Limited	Plot 2375, Airtel House, Corner Addis Ababa Drive and Great East Road, Lusaka, Zambia	82795	96.36



Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
58	Bharti Airtel DTH Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	50921266	100
59	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078528	100
60	Bharti Airtel Ghana Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204633	100
61	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	38023926	100
62	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164357	100
63	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204848	100
64	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077659	100
65	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164359	100
66	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34143743	100
67	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164360	100
68	Bharti Airtel Nigeria Holdings B.V. (under liquidation)	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076499	100
69	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077623	100
70	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125193	100
71	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077657	100
72	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078747	100
73	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078530	100
74	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076501	100
75	Celtel (Mauritius) Holdings Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18259/3258 C1/GBL	100
76	Airtel Congo (RDC) S.A.	278, Avenue de l'Equateur, Kinshasa, Gombe, Democratic Republic of Congo	47.889	98.50
77	Celtel Niger S.A.	2054 Route de l'aéroport, BP 11 922, Niamey, Niger	NI-NIM-2007-B 1848	90
78	Channel Sea Management Company (Mauritius) Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18258/3237 C1/GBL	100
79	Congo RDC Towers S.A.	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, Republique Democratique du Congo	KG/9.902/M	100
80	Gabon Towers S.A. (under dissolution)	124 Avenue Bouet/ BP 9259, Libreville, Gabon	2013B11106	90
81	Indian Ocean Telecom Limited	C/o Minerva Trust & Corporate Services Limited, 43/45, La Motte Street, St. Helier, Jersey, JE4 8SD, Channel Islands	70138	100
82	Madagascar Towers S.A.	Immeuble Kube B, Zone Galaxy Andraharo, 101- Antananarivo, Madagascar	2011 B 00184	100
83	Malawi Towers Limited	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	10995	100

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
84	Mobile Commerce Congo S.A.	1er et 2ème étages, Immeuble SCI Monte Cristo, Rond Point de la Gare, Croisement du Boulevard Denis Sassou Gnuesso & de l'avenue Orsy, Centre Ville, BP 1038, Brazzaville, République du Congo	09B 1796	100
85	Montana International	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	6/97/2593 C2/GBL	100
86	MSI-Celtel Nigeria Limited (under liquidation)	7, Walter Carrington Crescent, Victoria Island, Lagos	372966	100
87	Partnership Investments S.A.R.L.	68/A Croisement des avenues du Commerce et Marais, 2ieme niveau, Gombe, Kinshasa, DRC	CD/KIN/RCCM/14-B-4497	100
88	Société Malgache de Telephone Cellulaire SA	c/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	19022/3479 C1/GBL	100
89	Tanzania Towers Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road/Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	84005	60
90	Towers Support Nigeria Limited (under liquidation)	Plot L2, Banana Island, Foreshore Estate/Ikoyi Lagos, Nigeria	940514	83.25
91	Zap Trust Company Nigeria Limited (under liquidation)	Plot L2, Banana Island, Foreshore Estate/Ikoyi Lagos, Nigeria	889384	100
92	Bharti Airtel Rwanda Holdings Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	C083311 C1/GBL	100
93	Airtel Money Transfer Limited	Parkside Towers, Mombasa Road, L.R. Nr. 209/11880, P.O. Box 73146-00200 Nairobi, Kenya	CPR/2015/199517	100
94	Airtel Money Tanzania Limited (incorporated on June 10, 2016)	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road/Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	127040	60
95	Bangladesh Infratel Networks Limited (under dissolution)	House # 34, Road # 19/A Banani, Dhaka - 1213, Bangladesh	C-93753/11	100
96	Airtel DTH Services Nigeria Limited (under liquidation)	Plot L2, Banana Island, Foreshore Estate/Ikoyi Lagos, Nigeria	932607	100

#### Associates u/s 2(6) of the Companies Act, 2013

1	Seychelles Cable Systems Company Limited	Third Floor, Caravelle House, Victoria, Mahe, Seychelles	846498-1	26
2	Robi Axiata Limited (w.e.f. November 16, 2016)	53, Gulshan South Avenue Gulshan-1, Dhaka-1212, Bangladesh	C29552	25
3	Seynse Technologies Private Limited (w.e.f. February 21, 2017)	Villa No. 4, House No. 22/296 Naroo Heights, Opp. Manipal Hospital Dona Paula, North Goa	U74999GA2015PTC007655	20
4	Aban Green Power Private Limited (w.e.f. October 27, 2016)	Anpriya Crest 113, Pantheon Road Egmore, Chennai, Tamil Nadu	U40103TN2013PTC090446	26
5	Greenery Wind Corporation Private Limited (w.e.f. March 30, 2016)	No.3, 2nd Floor Queens Road Cross, Near Congress Committee Office, Bangalore, KA 560052	U40104KA2012PTC062414	20.33

#### Joint Venture Companies u/s 2(6) of the Companies Act, 2013

1	Indus Towers Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U92100DL2007PLC170574	25.89
2	Bridge Mobile Pte Limited	750 Chai Chee Road, Technopark@ChaiChee, The Oasis, #03-02/0, Singapore 469000	200413856E	10
3	Firefly Networks Limited	A-19, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi, Delhi 110044	U74999DL2014PLC264417	50

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year i.e. April 01, 2016				No. of shares held at the end of the year March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters										
(1) Indian										
	Individual /HUF	-	-	-	-	-	-	-	-	-
	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	1,802,318,492	-	1,802,318,492	45.09	1,817,987,269	-	1,817,987,269	45.48	0.39
	Banks / FI	-	-	-	-	-	-	-	-	-
	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	1,802,318,492	-	1,802,318,492	45.09	1,817,987,269	-	1,817,987,269	45.48	0.39
(2) Foreign										
	NRIs - Individuals	-	-	-	-	-	-	-	-	-
	Other - Individuals	-	-	-	-	-	-	-	-	-
	Bodies Corporate	865,673,286	-	865,673,286	21.66	865,673,286	-	865,673,286	21.66	-
	Banks / FI	-	-	-	-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	865,673,286	-	865,673,286	21.65	865,673,286	-	865,673,286	21.66	-
	Total Shareholding of Promoter (A) = A(1)+A(2)	2,667,991,778	-	2,667,991,778	66.74	2,683,660,555	-	2,683,660,555	67.14	0.39
(B) Public Shareholding										
(1) Institutions										
	Mutual Funds	99,168,397	-	99,168,397	2.48	128,431,707	-	128,431,707	3.21	0.73
	Banks / FI	1,291,949	-	1,291,949	0.03	2,141,271	-	2,141,271	0.05	0.02
	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Insurance Companies	297,836,594	-	297,836,594	7.45	315,420,470	-	315,420,470	7.89	0.44
	Foreign Institutional Investors	670,962,174	-	670,962,174	16.78	608,226,075	-	608,226,075	15.22	(1.57)
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	1,069,259,114	-	1,069,259,114	26.75	1,054,219,523	-	1,054,219,523	26.37	(0.38)
(2) Non-Institutions										
	Bodies Corporate									
	(i) Indian	4,077,136	5,444,270	9,521,406	0.24	2,721,800	5,444,250	8,166,050	0.20	(0.03)
	(ii) Overseas									
	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	27,145,695	8,852	27,154,547	0.68	24,756,135	7,661	24,763,796	0.62	(0.06)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	4,979,645	-	4,979,645	0.12	4,544,671	-	4,544,671	0.11	(0.01)
	Others (specify)									
	Clearing Members	4,416,431	-	4,416,431	0.11	9,058,391	-	9,058,391	0.23	0.12
	Foreign Companies	204,127,716	-	204,127,716	5.11	203,177,716	-	203,177,716	5.08	(0.02)
	NBFC	2,185	-	2,185	0.00	8,614	-	8,614	0.00	0.00
	Non Resident Indians	2,174,198	-	2,174,198	0.05	1,283,871	-	1,283,871	0.03	(0.02)
	Non Resident Indians (Non-Repatriation)	-	-	-	-	573,389	-	573,389	0.01	0.01
	ESOP Trust	1,881,958	-	1,881,958	0.05	1,345,184	-	1,345,184	0.03	(0.01)
	Trusts	5,891,124	-	5,891,124	0.15	6,598,342	-	6,598,342	0.17	0.02
	Sub-Total B(2) :	254,696,088	5,453,122	260,149,210	6.51	254,068,113	5,451,911	259,520,024	6.49	(0.02)
	Total Public Shareholding (B) = B(1)+B(2) :	1,323,955,202	5,453,122	1,329,408,324	33.26	1,308,287,636	5,451,911	1,313,739,547	32.86	(0.39)
(C) Shares held by custodians for GDR's and ADR's										
	Grand Total (A+B+C):	3,991,946,980	5,453,122	3,997,400,102	100.00	3,991,948,191	5,451,911	3,997,400,102	100.00	

**(ii) Shareholding of Promoters**

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Bharti Telecom Limited	1,802,318,492	45.09	-	1,817,987,269	45.48	-	0.39
2	Pastel Limited	591,319,300	14.79	-	591,319,300	14.79	-	0.00
3	Indian Continent Investment Limited	265,860,986	6.65	-	265,860,986	6.65	-	0.00
4	Viridian Limited	8,493,000	0.21	-	8,493,000	0.21	-	0.00
<b>Total</b>		<b>2,667,991,778</b>	<b>66.74</b>	<b>-</b>	<b>2,683,660,555</b>	<b>67.14</b>	<b>-</b>	<b>0.39</b>

Notes:

- Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
- Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of the SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the Regulations.
- Indian Continent Investment Limited is person acting in concern with promoter (Bharti Telecom Limited).
- Viridian Limited is person acting in concern with Pastel Limited. As mentioned above, Pastel Limited qualifies as "Deemed Promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the Regulations.

**(iii) Change in Promoter Shareholding**

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Date	Increase/Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Bharti Telecom Limited	1,802,318,492	45.09%			Market Purchase through Stock Exchanges		
				September 01, 2016	13,000,000		1,815,318,492	45.41%
				September 02, 2016	1,600,000		1,816,918,492	45.45%
				September 19, 2016	112,046		1,817,030,538	45.46%
				September 20, 2016	352,500		1,817,383,038	45.46%
				September 21, 2016	184,913		1,817,567,951	45.47%
				September 22, 2016	169,318		1,817,737,269	45.47%
				September 23, 2016	250,000		1,817,987,269	45.48%
				March 31, 2017	-		1,817,987,269	45.48%

Note: There was no change in shareholding of other promoters during the year.

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

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	203,878,856	5.10	203,878,856	5.10
	At the beginning of the year	10,147,427	0.25	214,026,283	5.35
	Bought during the year	2,191,927	0.05	211,834,356	5.30
	Sold during the year	211,834,356	5.30	211,834,356	5.30
	At the end of the year				
2	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	64,192,085	1.61	64,192,085	1.61
	Bought during the year	105,312,484	2.63	169,504,569	4.24
	Sold during the year	87,338,815	2.18	82,165,754	2.06
	At the end of the year	82,165,754	2.06	82,165,754	2.06



Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	Dodge and Cox International Stock Fund				
	At the beginning of the year	53,061,504	1.33	53,061,504	1.33
	Bought during the year	-	-	-	-
	Sold during the year	3,620,000	0.09	49,441,504	1.24
	At the end of the year	49,441,504	1.24	49,441,504	1.24
4	Abu Dhabi Investment Authority				
	At the beginning of the year	27,530,063	0.69	27,530,063	0.69
	Bought during the year	4,404,843	0.11	31,934,906	0.80
	Sold during the year	17,019,277	0.43	14,915,629	0.37
	At the end of the year	14,915,629	0.37	14,915,629	0.37
5	Franklin Templeton Mutual Fund				
	At the beginning of the year	26,081,139	0.65	26,081,139	0.65
	Bought during the year	16,465,793	0.41	42,546,932	1.06
	Sold during the year	4,813,281	0.12	37,733,651	0.94
	At the end of the year	37,733,651	0.94	37,733,651	0.94
6	Skagen Kon-Tiki Verdipapirfond				
	At the beginning of the year	24,136,298	0.60	24,136,298	0.60
	Bought during the year			24,136,298	0.60
	Sold during the year	13,439,017	0.34	10,697,281	0.27
	At the end of the year	10,697,281	0.27	10,697,281	0.27
7	Capital World Growth And Income Fund				
	At the beginning of the year	24,119,712	0.60	24,119,712	0.60
	Bought during the year	6,912,000	0.17	31,031,712	0.78
	Sold during the year	5,090,875	0.13	25,940,837	0.65
	At the end of the year	25,940,837	0.65	25,940,837	0.65
8	HDFC Trustee Co Ltd.				
	At the beginning of the year	23,480,565	0.59	23,480,565	0.59
	Bought during the year	2,640,391	0.07	26,120,956	0.65
	Sold during the year	16,577,157	0.41	9,543,799	0.24
	At the end of the year	9,543,799	0.24	9,543,799	0.24
9	SBI Magnum Equity Fund				
	At the beginning of the year	5,787,633	0.14	5,787,633	0.14
	Bought during the year	21,123,741	0.53	26,911,374	0.67
	Sold during the year	4,435,764	0.11	22,475,610	0.56
	At the end of the year	22,475,610	0.56	22,475,610	0.56
10	Parvest Equity India				
	At the beginning of the year	21,710,000	0.54	21,710,000	0.54
	Bought during the year	1,973,085	0.05	23,683,085	0.59
	Sold during the year	13,429,085	0.34	10,254,000	0.26
	At the end of the year	10,254,000	0.26	10,254,000	0.26
11	Vanguard Emerging Markets Stock Index Fund				
	At the beginning of the year	19,643,653	0.49	19,643,653	0.49
	Bought during the year	2,274,200	0.06	21,917,853	0.55
	Sold during the year	1,215,742	0.03	20,702,111	0.52
	At the end of the year	20,702,111	0.52	20,702,111	0.52
12	ICICI Prudential Mutual Fund				
	At the beginning of the year	20,652,432	0.52	20,652,432	0.52
	Bought during the year	48,248,670	1.21	68,901,102	1.72
	Sold during the year	23,176,390	0.58	45,724,712	1.14
	At the end of the year	45,724,712	1.14	45,724,712	1.14
13	Comgest Growth Plc.				
	At the beginning of the year	19,949,032	0.50	19,949,032	0.50
	Bought during the year	1,978,330	0.05	21,927,362	0.55
	Sold during the year	3,443,089	0.09	18,484,273	0.46
	At the end of the year	18,484,273	0.46	18,484,273	0.46

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14	Morgan Stanley Mauritius Company Limited				
	At the beginning of the year	112,116	0.00	112,116	0.00
	Bought during the year	21,786,150	0.55	21,898,266	0.55
	Sold during the year	4,333,807	0.11	17,564,459	0.44
	At the end of the year	17,564,459	0.44	17,564,459	0.44

Note: The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the year 2016-17 has been provided.

#### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director or KMP	Shareholding at the beginning of the Year		Date	Increase/ Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Key Managerial Personnel								
1	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)	229,885	0.01%	September 23, 2016	50,000	Shares allotted under ESOP	279,885	0.01%
				November 04, 2016	50,000	Shares allotted under ESOP	329,885	0.01%
2	Mr. Rajendra Chopra*	-	0.00%	March 31, 2017	2,902	Shares allotted under ESOP	2,902	0.00%
3	Mr. Nilanjan Roy	5,867	0.00%	May 13, 2016	(5,867)	Market Sale	0	0.00%
				November 11, 2016	8,582	Shares allotted under ESOP	8,582	0.00%
				December 09, 2016	(8,582)	Market Sale	-	0.00%

No other Director or KMP held any shares of the Company during the financial year 2016-17.

\* Mr. Rajendra Chopra resigned from the position of Company Secretary w.e.f. January 24, 2017.

## V. INDEBTEDNESS

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

(₹ Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	20	457,415	-	457,435
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,218	-	1,218
<b>Total (i+ii+iii)</b>	<b>20</b>	<b>458,633</b>	<b>-</b>	<b>458,633</b>
<b>Change in indebtedness during the financial year</b>				
Addition	11	501,608	-	501,619
Reduction	15	356,689	-	356,704
<b>Net Change</b>	<b>(4)</b>	<b>144,919</b>	<b>-</b>	<b>144,915</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	16	602,334	-	602,350
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,390	-	1,390
<b>Total (i+ii+iii)</b>	<b>16</b>	<b>603,724</b>	<b>-</b>	<b>603,740</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

		(₹ Millions)	
Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director / Manager	
		Mr. Sunil Bharti Mittal Chairman	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)
(1)	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	269.78	88.34
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	10.09	0.03*
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
(2)	Stock Option*	-	31.13*
(3)	Sweat Equity	-	-
(4)	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
(5)	Others – PF Contribution	21.57	4.52
	<b>Total (A)</b>	<b>301.44</b>	<b>124.02</b>
	Ceiling as per the Act	₹ 6,989.50 Mn. (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	
		<b>425.46</b>	

Note: \*Value of perquisites u/s 17 (2) of Income Tax Act, 1961 does not include perquisite value of ₹ 31.13 Mn towards stock options exercised by Mr. Gopal Vittal during FY 2016-17. The same has been shown separately in point no. (2).

○ Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2016-17 and will get paid basis actual performance parameters in the next financial year.

**B. Remuneration to Non-Executive Directors including Independent Directors:**

		(₹ Millions)	
Independent Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Ben Verwaayen	0.40	15.56	15.96
Mr. Craig Ehrlich	0.50	9.73	10.23
Mr. D.K. Mittal	1.40	7.00	8.40
Mr. Manish Kejriwal	0.40	6.50	6.90
Mr. Shishir Priyadarshi	0.60	9.73	10.33
Mr. V.K. Viswanathan	0.80	8.00	8.80
<b>Total B1</b>	<b>4.10</b>	<b>56.52</b>	<b>60.62</b>

		(₹ Millions)	
Other Non-Executive Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Rakesh Bharti Mittal	-	3.00	3.00
Ms. Chua Sock Koong	-	3.89	3.89
Ms. Tan Yong Choo	-	3.89	3.89
Sheikh Faisal Thani Al-Thani	-	3.89	3.89
<b>Total B2</b>	<b>-</b>	<b>14.67</b>	<b>14.67</b>
<b>Total B = (B1+B2)</b>	<b>4.10</b>	<b>71.19</b>	<b>75.29</b>
<b>Ceiling as per the Act</b>	₹ 698.95 Mn (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		
<b>Total Managerial Remuneration (A+B)</b>	<b>500.75 Mn</b>		
<b>Total ceiling as per the Act (11%)</b>	<b>₹ 7,688.45 Mn (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)</b>		

### C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager:

(₹ Millions)			
Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Nilanjan Roy Global CFO	Mr. Rajendra Chopra Company Secretary#
1	Gross Salary		
	As per Sec 17(1) of Income Tax Act, 1961	42.03^	7.93^^
	Value of perks as per Sec 17(2) of Income Tax Act, 1961	0.08*	0.03*
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	2.61*	1.03*
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	others - PF Contribution	1.31	0.30
	<b>Total</b>	<b>46.03</b>	<b>9.29</b>
			<b>55.32</b>

Notes:

○ Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2016-17 and will get paid basis actual performance parameters in the next financial year.

\*Value of perquisites u/s 17(2) of Income Tax Act, 1961 does not include perquisite value of ₹ 2.61 Mn and ₹ 1.03 Mn towards stock options exercised by Mr. Nilanjan Roy and Mr. Rajendra Chopra respectively during FY 2016-17. The same has been shown separately in point no. (2).

^Salary u/s 17(1) includes value of cash payout of ₹ 17.58 Mn under performance based long term incentive plan of the Company.

^^ Salary u/s 17(1) includes value of cash payout of ₹ 0.30 Mn under performance based long term incentive plan of the Company.

# Mr. Rajendra Chopra resigned from the position of Company Secretary w.e.f. January 24, 2017.

### VII. Penalties / Punishment / Compounding of Offenses

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

#### Annexure F

#### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

##### (A) Conservation of energy

##### 1) The Company undertook various initiatives to reduce and conserve energy:

##### a. On Network side:

- Rooftop solar energy at Main Switching Centers- Over the past 5 years, 17 rooftop solar plants were set up at our main switching centers, with a total generation capacity of 1 MWp. In FY 2016-17, our Company has installed rooftop solar plants at 3 locations, with a total installed capacity of 200 kWp.
- Green Power wheeling agreements for purchase of green energy, through open access. In FY 2016-17, cumulative 88 Mn units were contracted under wheeling from renewable.
- Deployment of Low-power Consuming Base Transceiver Station (BTS) (have been able to achieve a reduction in power consumption by a minimum of 30% over the last 4-5 years). In FY 2016-17, we deployed 4301 such base stations.
- Site sharing - We introduced the concept of telecom passive infrastructure sharing to the world almost a decade ago which potentially helps reduce the energy consumption significantly by 30% as compared to a standalone site.
- Conversion of indoor to outdoor (FCU, NCU, SCU, MCU, Outdoor BTS and MW cabinets) - at those indoor cell sites to avoid running of air-conditioners during favorable ambient temperatures, and reduce consumption of grid power when it's available. Cumulative 48973 tower sites have implemented with outdoor conversion solutions.

- Battery Hybrid solutions have been implemented in over 11946 additional sites by our network partners, across the country, to eradicate the use of diesel.

##### b. Energy efficiency across Data Centres:

Data centers are energy intensive and Airtel has been working relentlessly in developing green data centers that ensure that we operate in the most energy efficient manner. Across all our six data centers in India, we have implemented comprehensive energy conservation and efficiency programs through the following initiatives:

- Energy usage optimization which eradicates energy hot spots through UPS optimization, installation of power factor controllers and installation of precision air handling units
- Cold Aisle containment which lower energy consumption and more efficient cooling
- Installation of variable frequency drivers (VFD's) to optimize energy use which reduces motor speed to reduce power drawn when the system is running low

Maintaining power utilization efficiency (PUE) to improve effectiveness across all data centers.

##### c. Energy efficiency in Airtel facilities:

- Lighting Optimization by considering occupancy rates and light intensity levels for different tasks implementation of energy efficient lighting.
- Retrofitting of old technologies with energy efficient technologies
- Energy optimization through UPS optimization, improving chiller efficiency, HVAC optimization by controlling heating / air conditioning



4. Installation of innovative technologies including the following:
  - a. Installation of retrofit controller (such as eco plug) for smart energy efficiency for cooling systems. Eco plug monitors the temperature threshold limits and; based on the changing heat load conditions adjusts dead band automatically to ensure energy is not wasted for unwarranted cooling sessions.
  - b. Installation of Collective control system in lifts such as "Duplexor" to help in reducing power consumption by sing logic to dispatch nearest lift in the direction of travel.

## 2) Utilisation of green energy:

Airtel is working relentlessly along with its partners on expanding their green energy portfolio by embracing various technologies like wind energy, biomass, zero emission batteries etc.

1. Solar-DG Hybrid Solution: The unique and innovative solution uses 3 kw - 7 kw capacity solar panels in tandem with battery banks, which helped reduce the DG run hours from 20 to 6 hours a day by providing 18 hours of power. The system is further optimized by a hybrid solar controller. Presently 17.4 MWp is the installed solar capacity on 3263 sites.
2. Rooftop Solar Energy at Main Switching Centers (MSC) - Over the past 4 years, 17 rooftop solar plants were set up at our main switching centers, with a total generation capacity of 1 MWp. This will result in tentative emission reduction to the tune of 965 tons CO2 per annum.
3. Company made green power wheeling agreements for the procurement of green energy, under open access of 88 Mn units per annum.
4. Trials for Solar Natural Cooling - 381 sites completed with 300 Wp solar on each site and partner sites by switching off our air-conditioners and utilizing solar natural cooling to reduce the energy demand.

Bharti Airtel recognizes that the journey to a cleaner and greener environment has just started. Airtel will continue to focus on greener power generation by working with renewable energy service companies, improving the storage of power by using new storage technologies and improve efficiencies in existing sites.

## 3) The capital investment on energy conservation equipment is shown below:

Sr. No.	Location	Capex (in ₹ Millions)	Remarks
1	Own sites (Hexacom & Core)	132	(Amount derived from issued PO's, Including ED & CST)
2	TOCO (Indus & Infratel) & SP (Ericsson/NSN)	701	From ToCo cost of solution to be paid in 60 Installments, which will be built in monthly site rental. 2) BTS and MW IP 55 cabinet is procured against P.O.'s to SP's
<b>Total</b>		<b>833</b>	

## Technology absorption -

### 1. The efforts made towards technology absorption:

Over the past two decades, country has witnessed phenomenal economic growth. India today stands at a juncture of vast opportunities. Telecom infrastructure has always played a key role bridging the connectivity gap. The number of mobile internet users in India is estimated to reach around 420 million by mid-2017. In coming times internet connectivity will pave path for to Education, healthcare, banking and other necessities to reach to each and every corner of this country. A strong network will help realize true inclusive growth.

With the objective to provide best in class connectivity experience to our customers and improve our spectrum efficiency, Airtel envisaged 'Project Leap' with an investment of ₹ 60,000 over 3 years. Under 'Project Leap' in the last two years (2015-16 and 2016-17), Airtel has deployed 180,000 mobile sites across India. This is same as the number of sites deployed by the company in the first 20 years of operations, making it one the largest mobile network rollouts globally.

The size of the task itself challenged the very fundamentals of Indian telecom industry. The execution required a seamless partnership with all our vendors and very meticulous and exact planning. Most of the sites planned were mobile broadband sites and required powerful future ready internet backbone through optical fiber. All the activity including radio and transport planning, installation, fiber / MW availability, media readiness had to be done in a very close coordinated way across India. With this Airtel has become the only company offering both 3G and 4G services in all 22 circles across the country.

To manage the existing network better, Airtel has embraced Self Optimization Network & Geo-analytical tools real time, customer experience based optimization of its mobile broadband network. These platforms have enabled automatic optimization of multi-layered networks, thereby reducing drop calls, network blocking, and increasing data throughputs for setting new benchmarks in end user experience.

In its endeavor to empower our customers and make them part of the journey, Airtel has been the first to launch Open Network initiative. Through this initiative entire network information including coverage, site details and signal strength is being made available to the customers. Any customer see the quality of signal in their area and the sites they are served from. They will also be able to log geographical location based network complaints. This portal enables us to improvise our current network infrastructure and plan new sites.

In our continuous endeavor to be pioneers in new technology, we launched carrier aggregation, dual band 3G, 3G dual carrier, 4G TD & FD last year.

### 2. The benefits derived like product improvement, cost reduction, product development or import substitution:

Through meticulous and effective planning and project management, in FY 2016-17 we deployed 90,000 sites including 8,000 swap sites. With more than 35,000 km of incremental fiber rolled out last year, Airtel now has more than 550,000 km of domestic and international fiber creating a powerful backbone for data and internet services in addition to voice. This helped us launch 3G

and 4G across all 22 circles in India with 4G TD & FD in 18 circles. In this journey to provide world class indoor experience we launched platinum 3G on 900Mhz in Mumbai, Kolkata, NESA, Karnataka and Punjab.

Airtel became the first company to launch 3G (2100Mhz + 2100Mhz) dual carrier implementation achieving a speed of 42 Mbps in DL, RJ, BH, TNC & JK. We were the first to do Carrier aggregation (FD+TD) with commercial device (Samsung Note-5) achieving a speed of 135 Mbps and now its present 450 towns. Also we successfully tested LAA Carrier aggregation (40MHz (LTE-U 5GHz) + 5MHz (LTE 1800)), achieving a speed of more than 250 Mbps. This technology adoption and innovation helped us to manage the spectrum efficiently and provide best in the class network experience to our customers.

Airtel network has now become truly heterogeneous. To excellent superb network experience in this complex mesh of technology, Airtel has embarked on innovative tools for near real time optimization through Self Optimization Network (SON) and Geo analytical tools. Deployment of Self Optimization Network (SON) enabled automation of network optimization to ensure availability of resources as per user demand. It has enabled dynamic configuration of the network for seamless handovers in 3G & 2G network, thus reducing the drop calls and improving efficiency of the available spectrum and network capacity. SON has been launched in top 16 cities. Airtel has pioneered customer demand centric network planning & densification by getting visibility of the network consumption on granular 50m x 50m grid. It has helped in ensuring deployment of new sites, small cells in corridors of high consumption, thus improving efficiency of the new deployments. GEO has been launched in top 22 cities.

**In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

**a. the details of technology imported:**

The Company has not imported any technology in the given period, only telecom equipments were imported.

**b. the year of import:**

N.A.

**c. whether the technology been fully absorbed:**

N.A.

**d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:**

N.A.

**3. The expenditure incurred on Research and Development.**

NIL

**The efforts made towards creating a digital Airtel**

At Airtel, we have always been at the forefront of innovation and digitization. We have put tremendous organization energy behind the Digital India vision. This year, we have further expanded the scale and scope of our digital programs that will directly benefit our vast ecosystem of 280M+ rural and urban customers, 1.6M+ retail and 17,000+ employees.

**Market Digitization** – We were the first in the country's telecom industry to revolutionize how we sell our products in the market, in a truly digital way. Our entire sales and distribution channel from Retailers to Distributors to Field Sales Executives is completely digitized with a host of applications. Our sales team can access over 150+ key metrics with trends over 18 months. In addition to looking at trends, the sales team can compare and contrast performance between various stakeholders. With the intent of doing away with paper, integration of "Market Notifications / Feedback" as a key tool where the sales team can report and document performance of various stake holders during their day to day working.

**Customer Acquisition** – We are amongst the heaviest third party users of Aadhaar platform – after we launched e-KYC through Aadhaar to activate SIM Cards as well as open Payments Bank Accounts. This has led to reduction in waste and has brought down the time required for such transactions to less than 5 minutes! With over 3.5 lac biometric devices, Airtel's acquisition and recharge platform has become one of the biggest digital transaction platforms in the country.

**Customer Service** – The app offers complete flexibility and control to our customers to view their usage, make payments, self-service any plan changes, recharge their prepaid or DTH connections etc. The app caters to more than 200 million requests in a month for self service. The airtel payments bank was launched on the app last year, which is India's first payments bank. The airtel dialer, cloud backup are additional services available on the app for the convenience of our customers.

**Workforce management** – Various field forces of Airtel for service, installation and fault repair etc have also been digitized through a workforce management solution called "Airtel Konnect" which automatically assigns tasks, manages schedules, allows appointment booking and provides maximum efficiency in the entire process. This allows us to service our consumers and B2B clients more efficiently and effectively.

**(C) Foreign Exchange Earnings and Outgo**

Activities relating to initiatives taken to increase exports; development of new export markets for products and services, and export plans.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings ₹ 49,060 Mn

(b) Total Foreign Exchange Outgo ₹ 116,278 Mn

## Annexure G

**Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-17 are as under:**

Sl. No.	Name of the Director	Remuneration of Director / KMP for FY 2016-17 (in ₹)	Percentage increase in remuneration in FY 2016-17 <sup>2</sup>	Ratio of remuneration of each Director to median remuneration of the employees of the Company <sup>2,3</sup>
<b>Executive directors</b>				
1.	Mr. Sunil Bharti Mittal, Chairman	301,442,108	8.22 <sup>1</sup>	366.27
2.	Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)	92,884,551*	49.56 <sup>1</sup>	112.86
<b>Non-executive directors</b>				
3.	Mr. Rakesh Bharti Mittal	3,000,000	Nil	3.65
4.	Ms. Chua Sock Koong	3,890,316	(2.25)	4.73
5.	Ms. Tan Yong Choo	3,890,316	(2.25)	4.73
6.	Sheikh Faisal Thani Al-Thani	3,890,316	(2.25)	4.73
<b>Independent Directors</b>				
7.	Mr. Ben Verwaayen	15,961,264	(7.11)	3.65
8.	Mr. Craig Ehrlich	10,225,790	(2.14)	12.43
9.	Mr. D.K. Mittal	8,400,000	5.00	10.21
10.	Mr. Manish Kejriwal	6,900,000	Nil	8.38
11.	Mr. Shishir Priyadarshi	10,325,790	(1.19)	12.55
12.	Mr. V.K. Viswanathan	8,800,000	3.53	10.69
<b>Key Managerial Personnel other than Executive Directors</b>				
13.	Mr. Nilanjan Roy, Global Chief Financial Officer	25,841,867#	15.31 <sup>1</sup>	-
14.	Mr. Rajendra Chopra, Company Secretary**	7,979,397 ^	16.74 <sup>1</sup>	-

## Notes:

1. The value of performance linked incentive (PLI) in remuneration of Key Managerial Personnels (KMPs) represents incentive @ 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2015-16 has also been considered @ 100% performance level.

2. Percentage increase in remuneration is based on annualised remuneration.

3. Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during FY 2016-17.

4. There has been no change in remuneration policy for Non-Executive Directors. Change in remuneration of Non-Executive Directors vis-à-vis previous year is due to change in their Committee membership and change in foreign exchange rates.

\* The remuneration of Mr. Gopal Vittal excludes perquisite value of ₹ 31,131,500 on exercise of stock options during FY 2016-17.

# The remuneration of Mr. Nilanjan Roy excludes perquisite value of ₹ 2,608,756 on exercise of stock options and cash payout of ₹ 17,579,393 under performance-based long-term incentive plan of the Company during FY 2016-17.

^ The remuneration of Mr. Rajendra Chopra excludes perquisite value of ₹ 1,033,344 on exercise of stock options and cash payout of ₹ 282,114 under performance-based long-term incentive plan of the Company during FY 2016-17. The above remuneration includes the payments made towards final settlement.

\*\* Mr. Rajendra Chopra resigned from the position of Company Secretary w.e.f. January 24, 2017.

- ii. **The percentage increase in the median remuneration of the employees in the financial year:** There has been an increase of 2.67% in median remuneration of employees in FY 2016-17 as compared to FY 2015-16.
- iii. **The number of permanent employees on the rolls of the Company:** There were 9,279 employees on the rolls of the Company as on March 31, 2017.
- iv. **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2016-17 and its comparison with the percentage increase in the managerial remuneration and justification thereof:** The average increase in the remuneration of employees excluding KMPs during FY 2016-17 was 8% and the average increase in the remuneration of KMPs was 22.46%. The increase of 22.46% is due to substantial increase in salary of Managing Director & CEO (India & South Asia) of the Company which was based on external benchmarking, Company's and individual performance level. The aforesaid remuneration was approved by the shareholders in its Annual General Meeting held on August 19, 2016.
- V. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration of Directors was as per the Remuneration Policy of the Company.

## Annexure H

## Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017

## Top ten employees in terms of remuneration drawn

## (A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (In years)	Nature of duties of the employee	Gross Remuneration (In ₹)	Previous employment/ Designation
1	Ajai Puri	Chief Operating Officer (India & South Asia)	Post Graduation	56	15-May-04	36	Business Head	62,134,733	Cargill Foods India / Business Head - India Foods
2	Campbell Mclean	Chief Architect	Graduated from the Royal Military Academy Sandhurst	53	07-Jul-14	34	Engineering	55,597,390	Telefonica / Global Chief Architect
3	Gopal Vittal	MD & CEO - India & South Asia	MBA	51	03-Apr-12	26	Business Head	92,884,551*	Hindustan Unilever Limited / Executive Director
4	Harveen Mehta	Global CIO	BE (Computer Sc. & Engg)	43	24-Oct-13	18	Information Technology	71,014,660	BEVA / CIO Global Markets
5	Moti Gamlani	Director - Supply Chain	Masters in International Business Administration	43	17-Dec-12	21	Supply Chain Management	56,004,727	GE Energy / Group Vice President - Global supply Chain
6	Nilanjay Roy	Global CFO	CA	51	01-Mar-06	27	Finance	46,030,016*	Unilever Nv / Plc, Usa / Finance Director
7	Srikanth Balachandran	Global CHRO	CA, B.Com	56	17-Nov-08	36	Human Resources	66,431,276	Hindustan Unilever Limited / Programme Leader - Global Finance
8	Sunil Bharti Mittal	Chairman	Graduate	59	01-Oct-01	29	General Management	301,442,108	Bharti Cellular Limited. / CMD

\*Remuneration of Mr. Nilanjay Roy includes perquisites value of ₹ 2,608,756 towards exercise of stock options and ₹ 17,579,393 towards cash pay out under performance based long term incentive plan of the Company.

\*Remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 31,131,500 towards exercise of Stock Options during FY 2016-17.

## (B) Employed for the Part of Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (In years)	Nature of duties of the employee	Gross Remuneration (In ₹)	Previous employment/ Designation
1	Inder Walia	Group Director - Human Resources	PGDBM	59	06-Aug-07	33	Human Resources	69,496,894	Arcelor Mittal / Executive Vice President, HR
2	Srinivasan Gopalan	Director - Consumer Business	MBA, BA Hons (Economics)	47	02-Sep-13	25	Business Head	58,432,496	Vodafone UK / Consumer Director

1. There are no specific terms and conditions for employment.

2. None of the employees mentioned above are relative of any Director of the company except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers.

3. None of the employees mentioned above hold 2% or more share capital of the Company.

4. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position except that of Mr. Sunil B Mittal and Mr. Gopal Vittal.

5. Nature of employment for all the employees is permanent except for Mr. Sunil Bharti Mittal. Mr. Gopal Vittal which is contractual.



## Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017

### (A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/ Designation
1	A. Ganesh	Distribution Head - Market Operations	PGDBM / B. Tech	40	01-Feb-13	16	Sales	17,494,345	Hindustan Unilever Limited / General Manager
2	Abhay Savarganekar	Director Networks & CTO	B.E. / B. Tech	52	05-Aug-06	27	Operations	32,414,205	Bharti Infotel Ltd / Chief Technology Officer
3	Aditya Kohli	Head HR - TNL & Enabling Functions - HR	PG Diploma	41	13-Oct-14	19	HR	12,594,941	Standard Chartered Bank / Head P&R
4	Ajay Chitkara	Director - Global Voice & Data Business	PGDBM	45	01-May-01	23	Business Head	26,370,387	Comsat Max Limited / Area Sales Manager
5	Anant Arora	CEO - Strategic Accounts - Airtel Business	BE / B.Tech	50	11-Apr-03	27	Sales	22,461,754	Reliance Infocomm Ltd / Head - Sales Operations
6	Anjani Rathor	Head - IT Governance & PMO	PGDBM	44	10-Dec-07	20	Engineering	17,702,106	Delhi Accenture Boeing / Director, Strategy and Business Development
7	Aruna Pidikiti	HUB CTO SE - Network	M.Tech.	47	21-Dec-00	26	Network	11,426,600	STPI / DY Director (Tech)
8	Arvind Chopra	Group Director - Internal Assurance	B. Com (H), ACA	53	30-Sep-15	26	Internal Assurance	27,548,148	Essar Services India Pvt Ltd / President - Group Assurance and Cost Control
9	Ashish Arora	CEO - Key Accounts - Airtel Business	MBA	47	03-Apr-07	22	Sales	17,734,019	Sify Ltd / National Sales Head
10	Ashok Ganapathy	Director - Enterprise & Government	PGDBM	51	03-May-13	28	Business Head	26,508,655	Reliance Mediaworks / CEO
11	Atul Sachdeva	Head Wireless Planning	PGDBM	44	29-Aug-06	22	Network	16,613,135	Tata Teleservices Ltd / Head - BSS, Transmission and Core Planning
12	C Surendran	CEO - Market Operations KK	B.E. & MBA	51	04-Nov-03	29	Business Head	21,881,806	Modi Xerox / Head - Outsourcing
13	Chamakura Venkata Narasimha Varaprasad	Head - Core SAE - Network	B.E.	47	29-Apr-10	24	Network	11,093,261	Etisalat / AVP
14	Chandrasekar Ramamoorthy	Head - Network Experience	MBA	35	03-Feb-14	12	Network	10,821,613	Booz & Company / Senior Associate
15	Deepak Sanghi	Head - Transport Planning - Network	B.E.	43	29-Mar-04	22	Network	10,569,099	Nortel Networks / Technical Consultant
16	Deven Khanna	Group Director - CMD's Office	B.Com, CA	57	01-Sep-04	27	Finance	37,626,587	Triveni Engineering Industries Ltd. / VP - Corp Finance & Planning
17	Dharmender Khajuria	CEO - Market Operations - MP&CG	MBA	48	21-Nov-01	25	Business Head	15,663,835	National Panasonic / Sr. Sales Officer
18	Dushyant Kumar	Head Operations & Deployment - Network	BE / B.Tech	51	02-Nov-98	25	Network	13,075,563	Bharti BT Internet Ltd / manager
19	Gaurav Khandelwal	Financial Controller - CB & Mkt Ops	CA	39	03-Nov-14	16	Finance	13,419,652	Hindustan Unilever Limited / Director - Financial Controls
20	Gautam Anand	Head HR - GTM & Market Ops	MBA	40	30-Jul-09	18	HR	16,405,398	Citibank / Portfolio Management
21	George Mathen	CEO - Market Operations - KTN	Post Graduation	48	17-Nov-06	26	Business Head	23,410,117	Coca Cola India / Head - Sales
22	Harjeet Kohli	Group Treasurer	MBA	43	19-Jan-09	19	Finance	23,424,281	Citigroup India / Director
23	Hemant Kumar Guruswamy	CEO Homes	PGDBM	46	27-Jan-14	22	Marketing	13,056,568	Matrimony.com / Sr. VP Retail
24	Jonathan Rafaelbrahmson	Head Digital & VAS	B.Com	38	01-Sep-15	16	Marketing	15,064,800	Singtel / Director, Prepaid and Finance
25	Kartik Sheth	Chief Innovation Officer & CEO Wynn	MBA	39	06-May-13	15	Marketing	24,412,385	Lakme Lever Private Limited / Chief Operating Officer
26	Manish Agarwal	Global Head Taxation	CA/CS	43	11-Dec-08	19	Finance	18,111,702	HCL Technologies, Noida / Deputy General Manager
27	Manoj Murali	CEO - Market Operations - Rajasthan	MBA	46	01-Oct-01	22	Business Head	18,209,164	Crompton Greaves / Area Sales Manager
28	Manu Sood	CEO - Market Operations - Upper North	MBA	44	13-Jan-12	16	Business Head	24,310,720	Hindustan Lever Limited / General Manager - North India
29	Mohan Shukla	Head - External Affairs	B.A.	63	02-Sep-13	33	Corporate Regulatory	10,921,837	Carrefour WC&C Indian Pvt Limited / Director - Corporate Affairs
30	Murthy Chaganti	CEO - Market Operations - Gujarat	MBA	47	10-Apr-14	29	Business Head	13,989,114	Aircel / Circle Business Head
31	Rajiv Mathrani	Chief Brand Officer	MBA	42	01-Sep-15	17	Brand	13,871,175	PepsiCo / Senior Marketing Director
32	Rakesh Kumar	Circle CTO	M Tech	49	01-Apr-06	27	Network	11,028,686	BSNL / Joint Deputy Director General
33	Ram Kuppusswamy	Global Chief Sourcing Officer	MBA	41	05-Jan-15	18	SCM	22,536,571	Microsoft Mobile (China) Investment Company Ltd. / Director Materials Management
34	Ranjan Sharma	Head - Network Sourcing - SCM	B.Tech	42	09-Mar-15	21	SCM	11,420,633	ZTE Telecom India Pvt Ltd / Director
35	Ravi Parkash Gandhi	Chief Regulatory Policies	B.Tech	46	03-Mar-08	25	Legal	14,958,960	Reliance Communication Limited Usha / Vice President
36	Ravindra Singh Negi	CEO - Market Operations - NCR	PGDBM	45	01-Aug-00	22	Business Head	23,148,784	Koshika Telecom Ltd. / Product Manager - Prepaid
37	Rohit Marwaha	Head Pricing & Market Ops	PGDBM	41	16-Jul-01	19	Marketing	12,922,797	Vijaya Prints & Packs / Director
38	Rohit Relan	Head Customer Experience - Market Ops	CA	47	04-Apr-05	22	Customer Experience	12,352,779	Tata Teleservices Ltd. / Sr. Manager

**Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017**

**(A) Employed Throughout the Financial Year**

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (In years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/ Designation
39	Sameer Batra	CEO - Market Operations - Mumbai	PGDM/BE	41	21-Feb-06	17	Business Head	13,700,755	BPL Mobile Ltd / Product Manager
40	Sameer Chugh	Director - Legal	LLB, PGDBM	43	04-Aug-14	22	Legal	24,993,744	Cummins India Limited / VP - Legal and Secretarial
41	Sameer Kirt Anjaria	CEO - Market Operations - NESA	MMS / BE	44	03-Dec-12	20	Business Head	15,314,855	Nokia Corporation MEA / Head Care Channel Development, IMEA
42	Sandeep Gupta	Head - Wireless SAE - Network	BTech	47	30-Nov-12	26	Network	15,938,894	Huawei Telecommunications India Pvt. Limited / Director - Wireless & PS Solution Sales
43	Sarang Kanade	Director - Customer Experience	BE (Mech.), MMS (Mkg.)	46	02-Mar-10	20	Business Head	29,895,058	Spencers Retail Ltd / VP Operation
44	Satyamoorti Sivasubramanian	Sr VP - Engineering	PhD	59	02-Jun-14	36	Engineering	21,452,703	SingTel - Optus / Director, Information Security
45	Shailendra Singh	CEO - Market Ops - UPU	Post Graduation	51	16-Mar-16	25	Business Head	10,857,436	Tata Teleservices / Sr. VP
46	Shelali Malhotra	Global Head Revenue Assurance	CA	44	01-Mar-00	22	Finance	10,999,251	Airborne Express / Manager Accounts
47	Shyam P Mardikar	Chief Architecture & Planning	BE / B.Tech	46	26-Jul-12	24	Network	34,392,358	Leara / Chief Technical Officer
48	Swati Kamat	Hub CTO NW - Network	BE	51	29-Aug-14	30	Network	11,016,375	Tech M / Corporate Head Director
49	Venkatesh Vijay Raghavan	CEO - Market Operations AP	PGDBM	44	04-Jul-03	22	Business Head	18,228,176	Reliance Infocom Ltd. / Product Manager-Marketing
50	Vidur Rattan	CEO - Market Operations Maharashtra	PGDBM	39	16-Apr-01	20	Business Head	14,026,118	Standard Chartered Bank / Management Trainee
51	V/r Inder Nath	CEO - Market Operations - West Bengal	PGDBM	44	23-Apr-07	20	Business Head	17,333,041	IDEA Cellular / DGM
52	Vivek Manglik	Head - Global Voice VAS & Roaming	PGDBM	46	06-Sep-10	22	Sales	14,382,726	Tata Communications Limited / GM Sales

## Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017

### (B) Employed for the Part of Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/ Designation
1	Agha Basu	Chief Product Officer - EGB	MBA	49	25-Feb-08	26	Prod Dev & TSG	13,736,081	VSNL / Business Head - Mpls
2	Ashish Goenka	Financial Controller - NSG	MBA	38	03-Oct-16	14	Finance	7,492,216	Hindustan Unilever Limited / General Manager, Finance
3	Ashish Mehra	VP - Airtel Business	Commerce	48	02-Aug-10	28	Sales	11,556,673	Manpower Professional / Associate manager
4	Asit Tandon	Head UNOC - Network	B.E	47	02-Apr-07	24	Network	11,286,003	Siemens / General Manager
5	Atul Sohoni	COO - Market Operations - Kerala	MBA	43	19-Jul-10	20	Business Head	9,260,967	AMD India Pvt Ltd / Marketing Head
6	Badal Bagri	CFO - India & South Asia	CA	45	16-Jan-17	17	Finance	6,937,056	Aircel Limited / CFO
7	Bharath Upplappan	CEO - Market Operations - Bihar	MBA	45	10-Aug-15	21	Business Head	11,441,364	BHARTI RETAIL / SR VP
8	Dhruv Bhagat	CEO - Market Operations - NCR	PGDBM	47	01-Sep-06	21	Business Head	24,911,375	Hutchison Essar Ltd. / Business Head
9	Harjinder Singh Kohli	Govt Accounts Head	B Com	50	22-Sep-11	30	Sales	10,758,728	Sify Technologies Limited / Sr Vice President & Head Government Business
10	Indeevar Krishna	Head Customer Experience - Market Ops	PGDBM	48	01-Nov-10	23	Customer Experience	3,874,518	CITIBANK / Head - Branch Operations and Service, North
11	Kishor Asrani	CEO - EGB N&E	PGDBM	47	15-Feb-05	26	Business Head	13,572,835	HCL Infonet Limited / Zonal Head - North & East
12	Krishnan Govindan	Chief Contact Experience	MBA	49	09-May-16	21	Customer Experience	13,115,075	ICICI Bank Limited / JGM
13	Manish Prakash	Director - Enterprise & Government	MBA	43	02-Jan-14	21	Business Head	33,911,600	Accenture Australia Limited / Managing director
14	Monika Gupta	Head IT - Engineering	B.E	43	02-Jan-15	14	Engineering	8,611,773	Ericsson / Director
15	Mukesh Singla	Finance Controller - NSG	CA	45	19-Nov-01	21	Finance	8,143,459	Spice Communication Limited / Deputy Manager
16	Mukesh Bhavnani	Group General Counsel	LLB, ACS	62	01-Jun-16	39	Legal	29,647,595	Vedanta Resources Plc / Group Legal Counsel and Head Compliance
17	Nikhil Kumar	Head - Cust Experience & Billing Systems	PGDCA	55	17-Jul-01	22	IT	7,412,196	BPL Mobile Ltd / Manager
18	Prasanta Das Sarma	Business Head	B.E & MBA	54	19-Aug-02	32	Business Head	7,699,762	HFCL / Associate Vice President
19	Rajendra Chopra	Sr Vice President - Corp Secretarial & Regulatory	CS/LLB	45	16-Mar-05	24	Corp Secretarial & Regulatory	7,979,397	DLF Power Ltd / Company Secretary
20	Rohit Malhotra	CEO - Retail	PGDM	49	15-Apr-09	25	Business Head	26,506,509	Pantaloon Retail India Ltd / Head Operation - South Zone
21	S Balasubramanian	Group Financial Controller	CA	51	08-Aug-05	26	Finance	17,882,618	Coke / General Chief Accountant
22	Sachin R Sarma	Regional Voice Head	MBA	43	13-Apr-05	22	Sales	9,931,162	M/s BPL Cellular Ltd / Zonal Sales Manager
23	Sanjay Berry	Sr. Vice President - Finance	CA	48	29-May-12	22	Finance	9,785,896	SCS India Pvt Ltd / Director - Tax
24	Sharan Shetty	COO - Market Operations - KK	MMS/B. Tec	49	04-Jun-07	22	Business Head	14,737,022	Levis / Business Head
25	Siddharth Sharma	Head - Postpaid	MBA	41	02-Mar-05	17	Marketing	6,631,998	BPL Mobile Ltd / DMA Manager
26	Sundar Rajan R	Group General Counsel	CS, LLB	52	03-Sep-15	27	Legal	17,114,716	GMR Corporate Affairs Pvt Ltd / Group General Counsel & President - Legal & Secretarial
27	Tushar Vijay Kamat	CEO - Major Accounts	MBA	43	04-Apr-16	16	Sales	12,802,806	SAP India Pvt. Ltd. / Vice President
28	V.M. Raj Pudipeddi	Director - Consumer Business & CMO	MBA	45	06-Feb-17	22	Business Head	5,156,198	Procter & Gamble / VP North America, Oral Care
29	Vani Venkatesh	CEO - Retail	MBA	42	01-Nov-16	16	Business Head	4,261,760	Abbott Healthcare Private Limited / Associate Director - Sales

Note: 1. Gross remuneration comprises of Salary, Allowances, Company's contribution to Provident Fund and taxable value of perquisites.

2. The employee would qualify for being included in Category (A) or (B) on the following basis:

For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 10,200,000 p.a.

For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 650,000 p.m.

3. None of the employees mentioned above is a relative of any Directors of the Company

4. None of the employees mentioned above hold 2% or more share capital of the Company.

5. There are no specific terms and conditions for employment.

6. The designation - "Director" wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position.

7. Nature of employment for all the employees is permanent.

8. Remuneration of Mr. Rajendra Chopra excludes cash payout of ₹ 0.28 Mn under performance based long term incentive plan and ₹ 1.03 Mn towards perquisite value on exercise of stock options during FY 2016-17. He resigned from the position of Company Secretary w.e.f. January 24, 2017.

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### Annexure I

To

#### The Members of Bharti Airtel Limited

Bharti Airtel Limited  
Bharti Crescent, 1, Nelson Mandela Road  
Vasant Kunj, Phase-II  
New Delhi-110070

1. The Corporate Governance Report prepared by Bharti Airtel Limited ("the Company"), contains details as required by the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the compliance of the conditions of Corporate Governance in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the conditions of the Corporate Governance with the applicable criteria. Accordingly, we have obtained and verified and noted that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the year, Obtained and read the Director's Registers as on March 31, 2017 and verified that at least one women director was on the Board during the year, Obtained and read the minutes of the meetings of various Committees formed by Board of Directors of the Company along with the minutes of the meeting of Board of Directors of the Company held during the period April 01, 2016 to March 31, 2017, Obtained necessary representations and declarations from directors of the Company including the independent directors, and Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable, as at March 31, 2017, referred to in paragraph 1 above.



**Other matters and Restriction on Use**

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For S. R. Batliboi & Associates LLP****Chartered Accountants****ICAI Firm Registration No: 101049W/E300004**

Place: New Delhi

Date: May 9, 2017

**per Nilangshu Katriar**

Partner

Membership No: 58814

## Dividend Distribution Policy

## Annexure J

### 1. Preamble, Objective and Scope

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

To comply with the above requirement and with an endeavor to maintain a consistent approach to dividend pay-out plans, the Board of Directors ('Board') of Bharti Airtel Limited ('the Company') adopts this Dividend Distribution Policy ('Policy').

#### The objective of this Policy is to:

- (i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;
- (ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and
- (iii) provide for the manner of utilization of retained earnings.

### 2. Dividend Philosophy

The Dividend philosophy of the Company is enshrined in the principle that along with maintaining a reasonably conservative policy in respect of liquidity and leverage, 'surplus' cash in the Company shall be returned to its shareholders when it is concluded by the Board that:

- The Company doesn't / wouldn't have avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself; or
- By returning such 'surplus', the Company would be able to improve its return on equity, while simultaneously maintaining prudent & reasonably conservative leverage in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt : EBITDA and Net Debt : Equity etc.

The Company aims to distribute to its shareholders, the entire dividend income (net of taxes) it receives from its subsidiary / associate companies.

### 3. Parameters / Factors considered by the Company while declaring dividend

In line with the philosophy stated in clause 2 above, the Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

#### A) Financial Parameters / Internal Factors:

- (a) Financial performance including profits earned (standalone), available distributable reserves etc;
- (b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net Debt: Equity, including maintaining a targeted rating – domestically and internationally;
- (c) Alternate usage of cash viz. acquisition/Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to generate significantly higher returns for shareholders;
- (d) Debt repayment schedules;
- (e) Fund requirement for contingencies and unforeseen events with financial implications;

- (f) Past Dividend trend including Interim dividend paid, if any; and

- (g) Any other factor as deemed fit by the Board.

#### B) External Factors:

- (a) Macroeconomic conditions: In the event of uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances;
- (b) Statutory requirements: Statutory requirements, regulatory conditions or restrictions as applicable including tax laws, The Companies Act, 2013 and SEBI regulations etc;
- (c) Agreements with Lending Institutions: The Board may consider protective covenants in a bond indenture or loan agreement that may include leverage limits & restrictions on payment of cash dividends in order to preserve the Company's ability to service its debt; and
- (d) Capital Markets: In favorable market scenarios, the Board may consider for liberal pay-out. However, it may resort to a conservative dividend pay-out in case of unfavorable market conditions.

### 4. Circumstances under which the shareholders of the Company may or may not expect dividend

In line with Dividend Philosophy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

- (a) The Company has sufficient avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself;
- (b) The Company is in higher need of funds for acquisition / diversification / expansion investment opportunities / deleveraging or capital expenditures;
- (c) The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities; or
- (d) The Company has incurred losses or in the stage of inadequacy of profits.

### 5. Utilization of retained earnings

The profits retained by the Company (i.e. retained earnings) shall either be used for business purposes/ objects mentioned in its Memorandum & Articles of Association or shall be distributed to the shareholders.

### 6. Parameters with regard to various classes of shares

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

### 7. General

This Policy shall be reviewed at least once every 3 years. The Chief Investor Relations Officer and the Company Secretary are jointly authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at [compliance.officer@bharti.in](mailto:compliance.officer@bharti.in).

## Management Discussion and Analysis

FY 2017 closed on a transformational note. The industry disruption in India hastened consolidation, telecom market moved to unlimited voice, bundled with large buckets of data, and the new entrant finally announced the launch of its paid services. 'Free pricing' during the year, by the new operator jeopardised the financial health of the industry. Predatory pricing impacted all stakeholders, and hampered government levies and taxes. In this heightened phase of competitive intensity, our priorities for the year centered on retaining and growing our high-quality customer base while optimising cost, all of which was enabled via our network leadership and an uncompromising commitment to our customers. Airtel is well prepared for this new normal, where the battle for capacity, network reach, and customer experience intersect. In line with the Government of India's 'Digital India' drive, Airtel launched Pan India Payments Bank. Airtel Payments Bank became the first payments bank in the country to go LIVE as it rolled out services nationally.

Africa continued to build on a potential turnaround. Airtel remains committed to Africa and during the year our efforts to strengthen our competitive position in weaker markets continued. With war on waste efforts driving opex efficiencies, Africa turned PBT positive during the year. Over the year, we continued to de-lever Africa through strategic stake sale in subsidiaries, tower sales and other asset monetisation. The continuing trend of growth in data volumes and correction of prices in voice, as well as the adoption of mobile money is a re-affirmation of the potential growth opportunity in Africa. Coupled with the demographic dividend, Africa would see the benefits of scale in the future.

Our investment grade ratings which are awarded and reaffirmed by international credit rating agencies validate that we have built a robust, scalable and sustainable business model. Our focus is to maintain an optimum capital structure at all times and enhance our financial strength. We stay committed to creating value for our stakeholders, while ensuring highest standards of corporate governance.

### Economic Overview

#### Global Review

The financial year 2016-17 was marked by socio-economic uncertainty with widely unexpected outcomes such as UK's Brexit referendum and the US Presidential election. However, global growth prospects improved and fears of deflation receded towards the end of the year, helped by rising commodity prices and hopes of a fiscal stimulus in the US.

The US economy performed better than expectations during the year as US firms grew more confident of future demand. The economy also recorded a lower rate of unemployment. Even for Britain, it was widely believed that the Brexit referendum would hurt the economy. However, consumer confidence did not suffer, and to a large extent the economy was not derailed.

If these tailwinds continue, the global economy may pick up steam over the medium term. However, major structural impediments (low productivity growth and high-income inequality) continue to hinder a stronger recovery, especially over the medium term in advanced economies.

At the other end of the spectrum are the emerging markets and developing economies, which contribute significantly to global economic growth. These economies now account for over 75% of global growth in output and consumption, almost double their share in the last two decades. According

to the IMF, the significant income gaps in these economies vis-à-vis those in advanced economies suggest a significant headroom for growth. This shows that emerging markets and developing economies have a strong potential for growth over the medium term.

During 2016-17, the picture for emerging market and developing economies (EMDEs) presented a diverse pattern:

- Stronger than expected growth in China, supported by continued policy stimulus.
- Weaker than expected activity in some Latin American countries (Argentina, Brazil and Turkey), which faced a sharp contraction in tourism revenues.
- Better than expected activity in Russia, in part reflecting firmer oil prices.

Going into 2017, encouraging economic dynamics in the first quarter of 2017, along with possibility of fiscal support in many economies, are likely to support global growth.

Global Growth Trend (%)	Actual		Projections	
	2015	2016	2017	2018
<b>World Output</b>	3.4	3.1	3.5	3.6
<b>Advanced Economies</b>	2.1	1.7	2.0	2.0
<b>Emerging and Developing Economies</b>	4.2	4.1	4.5	4.8
China	6.9	6.7	6.6	6.2
India	7.9	6.8	7.2	7.7
Sub-Saharan Africa	3.4	1.4	2.6	3.5

(Source: International Monetary Fund, April 2017)

### Indian Economy

India's macro fundamentals continued to remain stable during the year, reinforced by concerted policy efforts by the Government. Measures to control food prices and judicious use of monetary policy levers by the RBI kept inflation low throughout FY 2016-17. The country continued to be one of the world's fastest growing economy, registering 7.1% growth in FY 2016-17.

After two years of drought, the monsoon was encouraging during the year, significantly improving agricultural prospects. Lower food prices helped bring headline CPI inflation down to an average of 4.5% in FY 2016-17. This, along with the implementation of the 7<sup>th</sup> Pay Commission, strengthened rural and urban domestic demand. The Government of India also initiated a seminal economic reform (demonetisation) to reduce the cash intensity in the economy; and to drive formalisation and digitisation across all sectors.

Despite temporary hardships (which marginally impacted growth), demonetisation holds potential for long-term benefits by paving the way towards a larger and a cleaner GDP, driven by digital channels.

The passage of the Constitutional Amendment for paving the way for GST implementation was another landmark policy initiative, which the Government undertook. On the external front, current account deficit remained within comfortable limits. Inflation eased as well, paving the way for 50 bps reduction in interest rates.

### Outlook

India's growth momentum is likely to accelerate in the second half of FY 2018, with continued focus on infrastructure creation and manufacturing, and trickle-down impact of past policy reforms. In addition, long-term economic growth will be driven by major factors: low interest rates; benign

inflation; favourable demographics (half of the population is below the age of 35); and greater focus on formalisation and digitisation of the economy.

### Key snapshots

1. India's digital economy is expected to grow from the current USD 270 Bn to around USD 1 Tn in the next 5-7 years, driven by exponential growth in e-commerce, electronic manufacturing, IT services, financial technologies (FinTech) and telecom.
2. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25% of Gross Domestic Product (GDP) by 2025, from 16% currently.
3. The Government is targeting around ₹ 25 Tn (USD 376.53 Bn) investment in infrastructure over a three-year period, which will include ₹ 8 Tn (USD 120.49 Bn) for developing 27 industrial clusters; and an additional ₹ 5 Tn (USD 75.30 Bn) for roads, railways and port connectivity projects.
4. Higher agricultural credit, enhanced allocation for irrigation projects, a crop insurance scheme for farmers and increased allocations for MGNREGA in the Union Budget will help bolster rural income.

### African Economy

The financial year 2016-17 was very challenging for the African economy, owing to sharp declines in commodity pricing, slow recovery following the Ebola epidemic, severe drought in Southern and Eastern African countries, political turmoil and fuel shortages in a few countries. However, economic growth improved in the last quarter of 2016.

The performance of oil exporting economies is likely to be volatile, while there will be robust growth in economies, which are less reliant on natural resources.

There are fundamentally positive dynamics, which play in Africa's favour, including a growing labour force, increased urbanisation and advanced technology. Africa has the potential to emerge as one of the world's most productive and dynamic economies, where the telecom sector continues to witness a revolution in the areas of data and mobile commerce.

Mobile has become a platform of choice for creating, distributing and consuming innovative digital solutions in Africa. This scenario is also leading to a tech start-up ecosystem in the region.

### Key snapshots

1. In Sub-Saharan Africa, recovery is expected in 2017 with growth projected to rise to 2.6% in 2017 as commodity prices rebound, and drought conditions ease.
2. Focus on institutional governance, education and empowerment of youth are likely to be the continent's growth catalysts for the future.
3. Mobile devices are now the primary means through which about 80% of internet users in Sub-Saharan Africa access the internet.

### South Asian Economy

Sri Lankan economy has transitioned from a primarily agricultural economy to a more urbanised one, driven by services. Last decade marked an improvement in prosperity and a decline in poverty. However, 2016 was marked by a decline in agricultural production, but a pick-

up in construction and investment led growth for Sri Lanka. Underpinned by growth and bolstered by medium term fiscal support, Sri Lankan economy rode out 2016, despite global headwinds. The outlook for the region is bright as the Government is implementing an economic programme to address macroeconomic imbalances and a large public debt.

### Megatrends that Drive Our Business

1. As per IAMAI, the number of internet users in India stood at 432 Mn as of Dec 2016. Internet penetration in urban India stands at around 60% whereas in rural India penetration is only 17%. Internet user base is expected to reach 450-465 Mn by June 2017. In urban India, the Internet user base grew by 7% to 263 Mn for year-on-year period ended October 2016, and rural India's Internet user base grew by 22% between the same period to 157 Mn.
2. Smartphone shipments grew 14.8% Y-o-Y to 27 Mn in first quarter of 2017 as per IDC. With Govt. of India's 'Make in India' programme, mobile production in India has already crossed the 100 Mn mark and is set to touch 500 Mn in the next two years. Increased focus on affordable smartphones will drive increased mobile broadband penetration in India which currently stands at sub 20%.
3. With an ongoing technological shift towards mobile broadband, reduction in data tariffs, and availability of affordable smartphones, 4G connection base is forecasted to grow from 3 Mn at the end of 2015 to 280 Mn by 2020 (Source: GSMA India). Data traffic is expected to grow by a CAGR of 63% over the period 2015 – 2020.
4. India is fast evolving digitally. Rising smartphone penetration and internet access is leading to increased connected consumers, which is also reflecting in growth of digital banking services. Govt. of India's demonetisation drive fueled digitisation in banking. Digitisation of payments presents a large opportunity in India. It is estimated that the total payments conducted via digital payment instruments will be in the range of USD 500 Bn by 2020 (Source: BCG – Google Digital Payments 2020).
5. Convergence of fixed and wireless technologies is becoming more tangible with improvements in handsets, increased data speed, and development of backhaul. Convergence of telecom services will lead to increased freedom to users to control their everyday lives over their own personal networks.
6. By 2020, India is set to become the world's youngest country with 64% of its population in the working age group. This demographic potential will offer India an unprecedented edge. Mobile data continues to help people elevate their lives with increased proportion of the population using internet for education, financial transactions, healthcare, and so on.
7. Africa is a youthful continent, a young and burgeoning population is on the cusp of a mobile data revolution with increased affordable handsets. Mobile internet adoption in Africa continues to grow rapidly; the number of mobile internet subscribers tripled in the last five years to 300 Mn by the end of 2015, with an additional 250 Mn expected by 2020 (Source: GSMA Africa).



8. Africa mobile money continues to drive financial inclusion in the region and accounts for 52% of the 271 live mobile money services in 93 countries and 64% of all active mobile money accounts (Source: GSMA Africa). With increased smartphone penetration, mobile phone banking technology is bringing more people in Sub-Saharan Africa into the formal financial sector.
9. As of March 2017, digital TV households in India crossed 100 Mn with combined seeding in Phase 3 and 4 markets reaching 68 Mn. DTH operators are likely to benefit from a rising subscriber base and high share in these markets. Innovations of paid TV services like – smart TV, HD usage continue to offer opportunities to service operators.
10. To enable the vision of Digital India, Govt. of India is extensively relying on technologies like cloud computing, and analytics. Smart cities will focus on delivery of smart services to citizens through a strong technological backing. This requires seamless digital and physical infrastructure to be shared efficiently across devices and applications; IoT will play a critical role in fulfilling this vision.

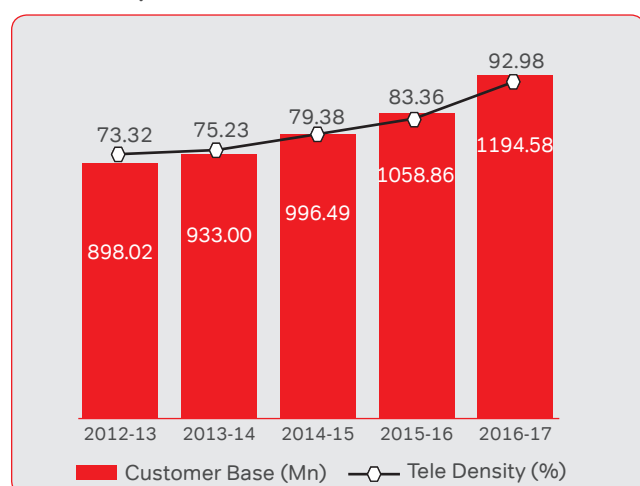
## Industry Overview

### Indian Telecom Sector

India's total customer base stood at 1,194.58 Mn with tele-density of 92.98%, as on March 31, 2017. The customer base has grown from 1,058.86 Mn and a tele-density of 83.36% last year. The urban tele-density stood at 171.80%, whereas the rural tele-density stood at 56.91%, as on March 2017. The country's telecom market continues to witness a strong growth of internet users; and now has the world's second highest number of internet users. The wire-line customer base is 24.40 Mn at the end of March 31, 2017 vis-à-vis 25.22 Mn at the end of March 31, 2016.

Among the service areas excluding metros, Himachal Pradesh has the highest tele-density (147.71%) followed by Tamil Nadu (128.40%), Punjab (118.28%), Kerala (114.75%), Gujarat (113.70%), Karnataka (113.38%), and Maharashtra (109.50%). Among the three metros, Delhi tops with 257.76% tele-density. On the other hand, the service areas, such as Bihar (60.95%), Assam (66.89%), Madhya Pradesh (67.04%), and Uttar Pradesh (74.02%) have comparatively low tele-density.

### Tele Density: India (%)



(Source: Telecom Regulatory Authority of India)

Albeit rural penetration improved during the year and touched 56.91% as on March 31, 2017 vis-à-vis 51.37% as on March 31, 2016, low penetration shows a strong headroom for growth. With urban tele-density of over 170%, brilliant data network along with swift customer service and experience will be the key growth drivers in urban areas. With the government's favourable regulations /policies and the fast changing high-speed 4G ecosystem, India's telecommunication sector is expected to witness an exponential surge in data consumption in the coming years.

The year saw several business and industry developments, including the entry of a new operator offering free voice and data, leading to an unprecedented wave of consolidation in the telecom sector. During the year, the Company strengthened its spectrum and network footprint significantly through organic and inorganic routes. It is now best placed to capture the data market. During the year, the Company secured spectrum requirements in October 2016 auction (Refer section "Spectrum Auctions in India" on page 31).

### African Telecom Sector

The African continent remains surrounded by unpredictable economic and socio-political climate, marked by depressed commodity and fuel prices and less accommodating global financial conditions. Nevertheless, the continent still holds a huge promise. It is rich in natural resources, and a young population aspiring for a better quality of life.

The revenue-weighted currency depreciation vis-à-vis the US Dollar across 15 countries in Africa over the last 12 months (exit March 31 rates) has been 19.35%, primarily caused by depreciation in Nigerian Naira by 53.7%, Ghanaian Cedi by 12.6% and Uganda Shilling by 7.2%. In terms of the 12-month average rates, the revenue-weighted Y-o-Y currency depreciation has been 15.5%, mainly caused by depreciation in Nigerian Naira by 42.3%, and Malawian Kwacha by 26.2%.

A population of over a billion people and growing economic potential are creating new vistas of opportunities for the African telecom sector. Mobile data and digital economy offerings have a significant potential for sustainable growth; and with the smartphone prices coming down and increase in data adaptability, the African telecom market is set to be one of the remarkable success stories.

### Development in Regulations

The year saw several regulatory changes and developments. The significant regulatory changes were:

#### India

- **Spectrum Auction:** In October 2016, DoT concluded the auction process for 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz spectrum. Of 1,434.75 MHz (paired) and 920 MHz (unpaired) spectrum was put to auction across bands and service areas, 274.80 MHz of paired spectrum in 800 MHz, 1800 MHz and 2100 MHz bands and 690 MHz of unpaired spectrum in 2300 MHz and 2500 MHz bands was sold for a total consideration of ₹ 657,891 Mn. Airtel won 173.80 MHz (43.80 MHz of paired spectrum in 1800 MHz and 2100 MHz bands and 130 MHz of unpaired spectrum in 2300 MHz band) of spectrum worth ₹ 142,436 Mn.
- **Spectrum Usage Charges (SUC):** DoT has released new guidelines for the computation of SUC, according to which the spectrum assigned through the auction of 2016 will be charged @ flat 3%. The weighted average SUC rate

will be computed for all spectrum held by an operator (whether assigned administratively or through auctions or through trading) including BWA spectrum acquired in 2010 subject to a minimum of 3% of AGR (excluding revenue from wire line services).

The separate SUC from use of BWA spectrum has been withdrawn. In these guidelines, DoT has also fixed the floor amount of the SUC to be paid by the operator. The same is fixed as the amount of SUC payable by the operators during FY 2015-16 using the weighted average SUC rate derived after taking into consideration the spectrum acquired through auction of 2016 and excluding the spectrum in 2300 MHz/2500 MHz band acquired/allocated prior to 2015-16. Further, in case there is a reduction in AGR of the service provider, the floor amount of SUC shall be reduced proportionately.

- **Harmonisation in 1800 MHz Band:** Spectrum harmonisation refers to uniform allocation of radio frequency bands. During the year, spectrum harmonisation has been completed in all the 22 service areas, making nearly 188 MHz of paired spectrum available to the Government. The benefit for operators due to this harmonisation is that the spectrum they currently hold becomes contiguous and, therefore, more efficient, thereby improving network quality and broadband speeds.
- **MVNO Guidelines by DoT:** DoT has issued the guidelines for the introduction of Virtual Network Operators (VNO). Some key highlights of the guidelines comprise:
  - A Unified License VNO (UL (VNO)) will be granted by DoT, either for all telecom services or any particular telecom service permitted under UL.
  - One VNO and another NSO (Network Service Operator) (other than VNO's parent NSO) and a VNO and another VNO in the same service area directly or indirectly shall not have any beneficial interest in each other.
  - There would not be any mandate to an NSO for providing time bound access to its VNO; rather, it shall be left to the mutual agreement between NSO and VNO. However DoT & TRAI shall have right to intervene in the matter as and when required to protect the interest of consumers and telecom sector.
  - There would not be a restriction on the number of VNO licensees per service area.
  - There shall be no restriction on the number of VNOs parented by an NSO.
  - VNOs will be allowed to have agreements with more than one NSO for all services other than access services and such services which need numbering and unique identity of the customers.
  - The total amount of Entry fee for VNO's shall be subject to a maximum of ₹ 75 Mn for 10 years (same as UL, as entry fee for UL is ₹ 150 Mn for 20 years).
  - The License fee will be levied @ 8% of AGR. SUC shall be applicable as per rates applicable for NSO and can be amended from time to time.
  - VNOs shall not be allowed to own/install equipment of core infrastructure, i.e., Gateway Mobile Switching Centre (GMSC), Soft Switches and Trunk Automatic Exchange (TAX) or equivalent.

- VNOs shall also be allowed to create their own service delivery platforms in respect of customer service, billing and VAS.
- Only pan-India or service area-wise authorisations may be granted under a UL (VNO) license. However, UL (VNO) licensee will be able to service an area within the LSA of the NSO with which the VNO has entered into an agreement for delivery of services.
- A VNO shall bear the penalty on account of failure of subscriber verification norms (for its own customers). Other penalties which are beyond the scope of the VNO viz, roll out obligations, core network issues etc. shall be borne by the NSO as per existing norms defined for them.
- No spectrum shall be assigned to the VNOs.
- The set-off/pass through charges between NSO and VNO is limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- In case, VNO decides to exit, for the services other than mobile, all customers of VNO will be migrated to any of the tariff plan of the parent NSO without any extra charges e.g. upfront/activation charges.
- **Right of Way (ROW):** DoT has released Indian Telegraph Right of Way Rules, 2016 to regulate Right of Way for underground infrastructure (Optical fiber) and over ground infrastructure (mobile towers). For underground infrastructure, the right of way fees shall not exceed one thousand rupees per kilometre and for over ground infrastructure it shall not exceed ten thousand rupees.

## Africa

- **DRC:** The interconnection rates have been revised downwards from 3.4 cents/min to 2.7 cents/min with effect from February, 2017.
- **Malawi:** The Malawi Parliament has passed new telecom laws in July 2016 which is pending for approval before the President. One of the provisions of the law is the requirement that the regulator must approve the product tariffs, before they are introduced in the market.
- **Zambia:**
  - The Government has announced in the press, the possibility of licensing a 4<sup>th</sup> National operator in Zambia. The Government has explained that it is conducting the review of the licensing regime to increase competition in the telecom sector.
  - The Regulator has issued a consultation paper to change the current licensing framework, where it issues several licenses and replace it with a unified licensing framework. Industry is engaging with the Regulator to fully understand how the new framework will affect existing operators.
- **Congo B:** The regulator during the year has issued a new Quality of Service (QOS) protocol with enhanced quality of service parameters.
- **Gabon:** The Government has abolished 10% universal health insurance tax with effect from March 2017.
- **Nigeria:** The international termination rates have been increased from Naira 3.90/min to Naira 24.40/min.
- **Zambia, Tanzania, Malawi and Other SADC Countries:** The governments within the SADC region have commenced bilateral arrangements to implement the Roam Like at Home tariffs imposed by the SADC governments.

## SCOT Analysis

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### Strengths

- **Presence:** #1 telecom player in India, #3 worldwide and present in 17 countries across South Asia and Africa
- **Spectrum:** Only player with Pan India 4G/3G spectrum. 126 3G+4G carriers, highest in the industry
- **Scale:** Largest revenue and subscriber market share. Large distribution platform, enabling other services like Payments Bank
- **Quad Play:** Only operator to leverage quad play – Mobile, Fixed Voice, Broadband and DTH

### Challenges

- **Operations:** Geographically varied presence, integrating operations across India, South Asia and Africa leveraging common platform
- **Customer Needs:** Understanding evolving customer perceptions in fast-changing multi-cultural and multi-lingual environment
- **Capex:** Increased capex with technological changes

### Opportunities

- **Data Usage Growth:** Data explosion at its cusp with the proliferation of affordable smartphones; and the Government of India's digital drive
- **Digital Payments:** Total payments conducted via digital payments instruments to be in the range of USD 500 Bn by 2020 (Source: BCG-Google Digital Payments 2020)
- **Consolidation:** Consolidation in the industry leading to better industry dynamics and higher market shares
- **Active Infra Sharing:** Active infra sharing to lead to reduced expenditures

### Threats

- **Competition:** Increased competition, leading to falling average revenue per user
- **Regulatory:** Political and economic uncertainties across regions
- **Currency Exposure:** Volatility in currencies due to global macro-economic uncertainties
- **MVNO:** MVNO presence to put further pressure on pricing

## Financial Review

### Consolidated Figures

Particulars	FY 2016-17		FY 2015-16	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenues	954,683	14,214	965,321	14,742
EBITDA before exceptional items	356,206	5,304	341,682	5,218
Interest, Depreciation & Others before exceptional items	267,277	3,979	234,958	3,588
Profit before exceptional items and Tax	88,930	1,324	106,722	1,630
Profit before tax	77,233	1,150	128,463	1,962
Tax expense	34,819	518	59,533	909
Profit for the year	37,998	566	60,767	928
Earnings per share (In ₹/USD)	9.51	0.14	15.21	0.23

\*1 USD = ₹ 67.16 Exchange Rate for financial year ended March 31, 2017 (1 USD = ₹ 65.48 for financial year ended March 31, 2016)

### Standalone Figures

Particulars	FY 2016-17		FY 2015-16	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenues	622,763	9,273	603,003	9,209
EBITDA before exceptional items	242,242	3,607	226,435	3,458
Interest, Depreciation & Others before exceptional items	153,483	2,285	116,517	1,779
Profit before exceptional items and Tax	87,613	1,304	109,343	1,670
Profit before tax	(85,095)	(1,267)	102,544	1,566
Tax expense	14,161	211	24,741	378
Profit for the year	(99,256)	(1,478)	77,803	1,188
Earnings per share (In ₹/USD)	(24.84)	(0.37)	19.46	0.30

\*1 USD = ₹ 67.16 Exchange Rate for financial year ended March 31, 2017 (1 USD = ₹ 65.48 for financial year ended March 31, 2016)

The Company's consolidated revenues stood at ₹ 954,683 Mn for the year ended March 31, 2017, compared to ₹ 965,321 Mn in the previous year, a decline of 1.1% (underlying growth of 1.1%). In addition, Nigeria's currency devaluation has a 2.5% impact on revenue growth. The revenues for India and South Asia (₹ 745,159 Mn for the year ended March 31, 2017) represented a growth of 2.9%, compared to that of previous year (underlying growth of 3.7%). The revenues for Africa, in constant currency terms, grew by 3.5% (4.4% adjusting for the impact of divestment of tower assets).

The Company incurred operating expenditure (excluding access charges, cost of goods sold, license fees and CSR costs) of ₹ 399,731 Mn, representing a decrease of 3.5% (decline of 1.1% underlying) over the previous year. Consolidated EBITDA at ₹ 356,206 Mn grew by 4.3% (6.6% underlying) over the previous year. The Company's EBITDA margin improved during the year to 37.3%, compared to 35.4% in the previous year. Depreciation and amortisation costs for the year were higher by 13.3% to ₹ 197,730 Mn. This was primarily led by higher spectrum amortisation expense in India and incremental depreciation on deployed capex.

Consequently, EBIT for the year at ₹ 156,773 Mn decreased by 5.7% (decline of 4.0% underlying), resulting in 16.4% margin vis-à-vis 17.2% in the previous year. Incremental amortisation cost on new spectrum acquired in India has

an impact on consolidated EBIT margin of 1.9%. The cash profits from operations (before derivative and exchange fluctuations) for the year ended March 31, 2017 was ₹ 283,666 Mn vis-à-vis ₹ 289,083 Mn in the previous year.

Net finance costs at ₹ 76,975 Mn were higher by ₹ 7,841 Mn, compared to previous year, primarily due to higher interest on borrowings of ₹ 18,247 Mn (FY'17 – ₹ 62,894 Mn, FY'16 – ₹ 44,647 Mn). The increase was largely attributed to spectrum related debt of India, this was partially off-set by lower forex losses in the current year, compared to previous year.

Consequently, the consolidated profit before taxes and exceptional items at ₹ 88,930 Mn, compared to ₹ 106,722 Mn for the previous year.

The consolidated income tax expense (before the impact of exceptional items) for the full year ending March 31, 2017 was ₹ 44,230 Mn, compared to ₹ 53,195 Mn for the previous year. The effective tax rate in India for the full year had increased to 32.5% (30.7% excluding dividend distribution tax) compared to 30.1% (28.7% excluding the impact of dividend distribution tax) for the previous year on account of expiry/reduction of tax holidays benefit in select units. The tax charge in Africa for the full year (excluding divested units) was almost flat at USD 160 Mn vs USD 158 Mn in the previous year, despite lower losses, on account of change in profit mix of the countries.

Net income before exceptional items for the full year came in at ₹ 38,134 Mn, compared to ₹ 47,991 Mn in the previous year. Exceptional items during the year accounted for net impact of ₹ 139 Mn. These included impact of gains/losses on divestment of subsidiary/associate/telecom tower asset, translation impact in Nigeria due to the new flexible exchange rate regime, reassessment of the useful life of certain categories of network assets of the group, due to technological advancements, litigation related assessment, operating costs on network re-farming and up-gradation programme and assessment of tax provisions, among others. After accounting for exceptional items, the resultant consolidated net income for the year ended March 31, 2017 was ₹ 37,998 Mn, compared to ₹ 60,767 Mn in the previous year.

The capital expenditure for the full year was ₹ 198,745 Mn (USD 3.0 Bn), compared to ₹ 205,919 Mn in the previous year. Consolidated operating free cash flow for the year grew at the healthy rate of 16.0% to ₹ 157,461 Mn.

Higher spectrum price, consequent escalation in associated amortisation costs and business slowdown in India due to predatory pricing by the new operator has led to decline of Return on Capital Employed (ROCE) to 6.5% from 8.3% in the previous year.

The Company has adopted Indian Accounting Standards (Ind-AS) for the preparation of its consolidated financial statements w.e.f. April 01, 2016, which was required as per notification issued by the Ministry of Corporate Affairs (MCA).

### Liquidity and Funding

As on March 31, 2017, the Company had cash and cash equivalents of ₹ 12,817 Mn and short-term investments of ₹ 20,283 Mn. During the year ended March 31, 2017, the Company generated operating free cash flow of ₹ 157,463 Mn. The Company's consolidated net debt as on March 31, 2017 increased by USD 1,490 Mn to USD 14,094 Mn as compared to USD 12,604 Mn last year, mainly on account of increased deferred payment liabilities to the DoT with respect to the 2016 spectrum auction. The Net Debt excluding the DoT obligations stood at USD 7,321 Mn as on March 31, 2017 i.e. it decreased by USD 130 Mn over the previous year (USD 7,451 Mn as at March 31, 2016). The Net Debt - EBITDA ratio (USD terms LTM) as on March 31, 2017 stood at 2.73 times as compared to 2.46 times in the previous year, mainly



on account of the increase in deferred payment liabilities to the DoT. The Net Debt-Equity ratio stood at 1.35 times as on March 31, 2017, compared to 1.25 times in the previous year.

During the year, the Company undertook several initiatives to meet its liquidity and funding requirements. The Company completed the secondary sale of over 190 Mn shares of its subsidiary Bharti Infratel Limited ("Bharti Infratel") representing 10.3%, to a consortium of funds advised by KKR and Canada Pension Plan Investment Board ("CPPIB") for a total consideration of over ₹ 61,939 Mn (approx. USD 951.6 Mn). These proceeds were primarily used by the Company to reduce its debt. The Company also made its maiden commercial paper issuance of ₹ 30,000 Mn in Q3'17.

The Company continues to maintain its credit ratings and has access to both domestic and international debt capital markets.

### Spectrum Auction in India

India's largest auction process, offered a varied set of both paired and unpaired spectrum (700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz spectrum) was concluded by the Department of Telecommunications (DoT) on October 07, 2016 after 31 rounds of bidding.

A total of 2,354.55 MHz of spectrum was put to auction by DoT across bands, of which 965 MHz of spectrum was sold with 700 MHz and 900 MHz bands remaining unsold owing to the high reserve prices. Spectrum worth ₹ 657,891 Mn was bought by six telecom operators. The Company successfully acquired 173.8 MHz (43.80 MHz – Paired and 130 MHz – Unpaired) of spectrum across 1800 MHz, 2100 MHz and 2300 MHz bands for a total consideration of ₹ 142,436 Mn. The Company now has the widest mobile broadband footprint across the country and is the only operator to have Pan India 2G/3G/4G spectrum.

The quantum of spectrum acquired by the Company in various spectrum bands is summarised in the table below:

Service Area	1800 MHz Band (Paired)	2100 MHz Band (Paired)	2300 MHz Band (Unpaired)
Andhra Pradesh	-	-	10.00
Assam	3.80	-	10.00
Bihar	-	5.00	10.00
Delhi	-	5.00	10.00
Gujarat	-	-	10.00
Haryana	1.60	-	-
Himachal Pradesh	-	-	10.00
Jammu & Kashmir	2.40	5.00	-
Karnataka	-	-	10.00
Kerala	-	5.00	-
Kolkata	2.00	-	10.00
Maharashtra	5.00	-	-
Mumbai	-	-	10.00
North East	1.40	-	10.00
Odisha	-	-	10.00
Punjab	0.80	-	-
Rajasthan	1.80	5.00	-
Tamil Nadu	-	-	10.00
West Bengal	-	-	10.00
<b>Total Spectrum</b>	<b>18.80</b>	<b>25.00</b>	<b>130.00</b>
Upfront Payment (₹ Mn)*	12,887	27,699	35,084
Balance Amount (₹ Mn)	11,081	20,701	34,984
<b>Total Cost (₹ Mn)</b>	<b>23,968</b>	<b>48,400</b>	<b>70,068</b>

\* Upfront payments made in Oct'16: ₹ 75,670 Mn.

The Company's robust spectrum base enables it to continue leading India's data revolution. The Company through its continuous and strategic acquisition of spectrum remains fully committed to the Government's Digital India Mission. It will continue to invest towards making high-speed and affordable data services available to customers in every corner of the country.

### Awards and Recognition

- Airtel has been **ranked # 1 in "2016 edition of the India Disclosure Index"** for Mandatory & Voluntary disclosure practices, amongst India's publicly-listed corporations on the Bombay Stock Exchange ("BSE") 100 Index by FTI Consulting.
- Airtel has been ranked as the **3<sup>rd</sup> Most Trusted Brand and No.1 Service Brand in India**, across all product and service categories, in the coveted Brand Equity's Most Trusted Brands 2016. Airtel has made a decisive comeback, having moved eight notches, compared to last year's overall ranking of 11.
- Airtel has been rated as **India's fastest mobile network by Ookla** - the global leader in broadband testing and web-based network diagnostic applications. Ookla's findings are based on an analysis of millions of internet speed tests logged on 'modern devices' by mobile customers across India using its popular Speedtest app.
- Airtel has received the **'Best Governed Company Award'** at the 4<sup>th</sup> Asia Business Responsibility Summit, organised by the Asian Centre for Corporate Governance & Sustainability (ACCGS).
- Airtel wins prestigious **'Golden Peacock Award for Excellence in Corporate Governance'** for the year 2016. The Golden Peacock Awards, introduced by the Institute of Directors in 1991, are now regarded as the holy grail of corporate excellence worldwide. Airtel joins the prestigious list of winners, who are hallmarks of corporate excellence worldwide, judged by their independence, integrity and transparency.
- Bharti Airtel has bagged **The Corporate Treasurer Award** for Asia's Best Treasury and Finance Strategies, 2016 under the 'Best Hedging Strategy' category.
- Bharti Airtel has won the **Best Risk Management Practice Award** in the Telecom Category at India Risk Management Awards instituted by CNBC TV18 and ICICI Lombard. Airtel was recognised for its robust risk-management practices and their implementation as strategic tools for a safe, secure and sustainable growth.
- Airtel's 4G website has won the **Silver Award for its creative design at International Davey Awards**.
- Bharti Airtel has won two awards at the Economic Times Telecom Awards, 2017 under **'Broadband Product'** and **'Marketing Campaign'** categories.
- Bharti Airtel has won **two Legal Era Awards at the 6<sup>th</sup> edition of Legal Era Awards** for the year 2016-17.
- Airtel has been conferred with **'Certificate of Recognition for Excellence in Corporate Governance 2016'** by the Institute of Company Secretaries of India (ICSI).
- Airtel has been **ranked second in 2016 best Indian brands rankings by Interbrand**, a leading global brand agency, in its 'Best Indian Brands report'. The ranking was being done considering the three factors; (a) Brand Financials (b) Brand's role in the purchase decision and (c) its competitive strength.

- Airtel has been **ranked first in a listing of 100 emerging market multinational companies**, as a part of a study on corporate transparency and reporting by Transparency International.
- Airtel has won the prestigious **TM Forum Digital World Award, 2016** in the 'Outstanding Contribution to Improving Business Agility' Category.
- Airtel has been recognised as an **"Innovator & Disruptor in HR Technology Practices"** by the renowned Society for Human Resource Management (SHRM). It is the world's largest association devoted to Human Resource Management.

### Segment-wise Performance

In FY 2016-17, the Group has realigned its internal business segments and accordingly the following changes have been done for reporting of segments operation in India.

#### a) Erstwhile, Telemedia Services comprised:

- Homes business, providing fixed-line telephone and broadband (DSL) services to retail customers
- Corporate fixed line (voice and data business)

The Company has realigned the reporting of its corporate fixed line (voice and data business) with Airtel Business and accordingly Telemedia Service renamed to Homes Services.

#### b) Reporting of Airtel Payments Bank (erstwhile, reported under Mobile Services - India) with Others - India.

The historical periods have been re-instated for the above mention segmental changes to make them comparable.

### B2C services

#### Mobile Services: India

##### Overview

The year saw several business and industry developments, including the entry of a new operator, offering free voice and data, leading to unprecedented wave of consolidation in the telecom sector of India. In FY 2016-17, the Company further strengthened its spectrum portfolio through organic and inorganic routes, and became the only operator in the country to have pan-India 2G, 3G and 4G spectrum. These initiatives will enable the Company to provide world-class voice and data services to its customers across 2G, 3G and 4G technologies. With the launch of 4G services in Jammu & Kashmir, Airtel has now launched its 4G services across India. Wynk Music is now one of the most active music apps in India. It has crossed the mark of 50 Mn app installs during the year. The average daily time spent on the app by users has grown by 25% over the previous year.

As on March 31, 2017, the Company had 273.6 Mn GSM customers. Total minutes on network in FY 2016-17 increased by 14.4% (highest in last six years), to 1,339.7 Bn. The churn has increased from 3.4% in the previous year to 3.7% in the current year, primarily owing to market turbulence and competitive pressure though the churn percentage is still the lowest amongst all operators. Data revenues, as a percentage of total revenues, increased from 21.8% to 23.2% in the current year. The Company had 57.4 Mn data customers at the end of March 31, 2017, of which 42.7 Mn were mobile broadband customers. The total MBs on the network for the full year has increased by 47.3% to 733.1 Bn MBs.

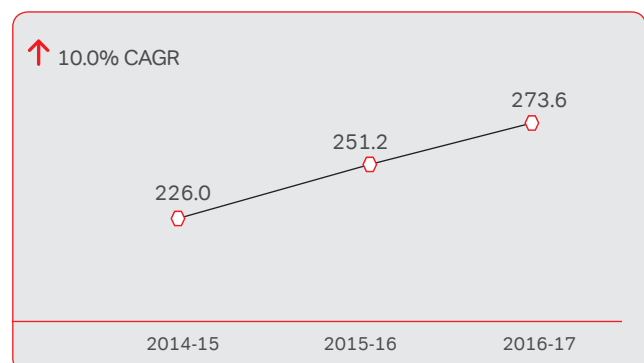
In FY 2016-17, revenues increased by 0.9% to ₹ 565,511 Mn, compared to ₹ 560,638 Mn in the previous year. The EBITDA margin improved from 39.1% to 40.3% this year. EBIT margin for

the year declined to 18.7%, compared to 22.9% in the last year, primarily on account of incremental amortisation cost on new spectrum acquired and incremental depreciation on deployed capex. Incremental amortisation cost on new spectrum acquired in India has an impact of 3.1% on EBIT margin.

The Company continued to invest in networks and spectrum to build data capacities - increasing 3G/4G coverage and improving the all-round customer experience. In line with our commitment to provide best network and customer experience to our customers, the Company had announced a new initiative called 'Open Network' under 'Project Leap'. This bold and disruptive initiative under Project Leap was the first time a telecom service provider had opened its entire network information for its customers and thus partnering with them to provide world-class network. The Company had 162,046 network towers, compared to 154,097 network towers in the last year. To enhance the data capabilities, the Company massively rolled out 72,663 Mobile broadband base stations during the year. With this, the Company has rolled out 136,479 Mobile broadband base stations in last two years.

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	565,511	560,638	1%
EBIT	105,484	128,314	(18%)

#### Wireless Subscribers: India (Million)



#### Key Highlights

- Airtel announced free incoming calls/SMS and zero additional data charges on national roaming. Customers on international roaming are fully protected from bill shocks through an automatic adjustment that is equal to the daily pack for a particular country. The above changes are effective from April 01, 2017.
- Explosion in the data consumption in recent times led to shift in pricing from sachet to bundle. Airtel launched two new innovative bundled packs – at ₹ 145 and ₹ 345 - for its prepaid customers with free voice calling and substantial data benefits. The ₹ 145 pack offers 300 MB data to customers with 4G ready mobile phones along with free local and STD Airtel-to-Airtel calls. The ₹ 345 pack offers 1 GB data to customers with 4G ready mobile phones along with free local and STD calls to any network in India. For non-4G mobile phone customers, both packs will offer 50 MB data.
- Airtel announced an effective reduction in pre-paid data tariffs by increasing data benefits on most of its pre-paid data recharge packs. Airtel customers will now enjoy more value on the existing packs and can enrich their mobile internet experience by staying online longer and download more of their favourite content.

- Airtel announced a new initiative called Open Network under Project Leap, its national network transformation initiative. Accordingly, Airtel opened its entire mobile network information for its customers through an interactive online interface. The new interface will display Airtel's mobile network coverage/strength across India in addition to the network site deployment status.
- Airtel's unique network campaign 'Open Network' has received positive response from customers, who have shared feedback and warm suggestions, along with providing leads for putting up network sites. Consequently, over 13,000 Airtel network sites across the country have been upgraded and over 40,000 have been optimised.
- Airtel announced 25% more stringent voluntary benchmark of 1.5% for mobile call drops versus the current TRAI prescribed norm of 2% under the Quality of Service Regulations. Based on the calculation of call drop rate during network busy hour on a monthly average, any amount calculated for exceeding the 1.5% voluntary benchmark, subject to a maximum of ₹ 1,000 Mn per annum, will be contributed by Airtel towards the education of underprivileged children in rural areas.
- Airtel deploys 4G Advanced Carrier Aggregation technology in Bengaluru, Mumbai, Sikkim and Tamil Nadu for superior 4G experience. This has combined the bandwidth capacities of 2300 MHz (TD LTE) and 1800 MHz (FD LTE) band.
- In an industry first, Airtel 4G in Madhya Pradesh and Chhattisgarh has been rolled out on 10 MHz spectrum in 1800 MHz band using the FD LTE technology to deliver a superior mobile broadband experience to customers.
- Airtel unveiled a new digital gateway with its My Airtel app that will offer the best of web to users through a curated set of apps for all their mobile application needs. In addition to its convenient self-care features, the re-launched My Airtel App will now have an 'Airtel Apps' section that will have a collection of apps under a single interface.
- Singapore Telecommunications Limited (SingTel) and Bharti Airtel Limited (Airtel) have joined hands to deliver high-speed, secure data network coverage to Asia-Pacific, Middle East, Africa, Europe and US. It will combine resources into one network to provide high speed data connectivity to 325 cities across the world through 370 Points of Presence (PoP). This will form one of the largest Internet Protocol Virtual Private Networks (IP VPN) globally.
- Airtel released the latest edition of its India Sustainability Report. Airtel's India Sustainability Report 2016 offers a comprehensive overview of the Company's sustainability initiatives and future vision, taking into cognisance both social and environmental aspects. It also offers detailed insights into how the Company successfully leveraged its wide network and distribution (based on accessibility and affordable services) that has contributed significantly towards societal empowerment and the Company's eco-friendly initiatives.
- Airtel announced a strategic partnership with Netflix. The two companies will collaborate to bring the popular video content to Airtel customers.
- Airtel and Truecaller collaborated to launch Airtel Truecaller ID that extends the caller ID feature of Truecaller to non-smart phone users on Airtel mobile network who do not use data. A subscription-based service, Airtel Truecaller ID will deliver the feature via a Flash SMS before the call hits the user's mobile, easing customer's life from unwanted spam calls. This first-of-its-kind service enables millions of feature phone users to enjoy a 'smartphone like' experience in offline mode and add to their mobile experience.
- Airtel M-Commerce Services Limited, a subsidiary of Bharti Airtel Limited, has been renamed as Airtel Payments Bank Limited (APBL) after receiving necessary approvals from all concerned authorities. APBL also unveiled a new logo to reflect its new identity.
- Airtel Payments Bank became the first payments bank in the country to go LIVE as it rolled out services nationally. Customers in towns and villages will be able to open bank accounts at Airtel retail outlets, which will also act as Airtel banking points and offer a range of basic and convenient banking services. A wide network of merchants (sellers/shops) will accept digital payments from Airtel Payments Bank customers, offering them the convenience of cashless purchase of goods and services via their mobile phones.
- Airtel successfully concluded the acquisition of the rights to use 20 MHz 2300 Band BWA spectrum allotted to Airtel, in all the eight circles - Tamil Nadu (including Chennai), Bihar, Jammu & Kashmir, West Bengal, Assam, North East, Orissa and Andhra Pradesh.
- Airtel successfully concluded the acquisition of rights to use 2 x 5 MHz spectrum in the 1800 MHz Band allotted to Videocon Telecom in six circles - Bihar, Gujarat, Haryana, Madhya Pradesh, UP (East) and UP (West).
- Airtel fortified its strong spectrum portfolio and secured spectrum requirements for the next 20 years. It is well positioned to continue leading India's digital revolution. Airtel now has 4G and 3G spectrums in all circles, giving it an unmatched mobile broadband footprint across India.
- Bharti Airtel entered into a definitive agreement with Telenor South Asia Investments Pte Ltd to acquire Telenor India. As a part of this, Airtel will acquire Telenor India's running operations in seven circles - Andhra Pradesh, Bihar, Maharashtra, Gujarat, UP (East), UP (West) and Assam. With this, Airtel will add 43.4 MHz spectrum in the 1800 MHz band, further augmenting its overall customer base and network across the country. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.
- Bharti Airtel entered into a definitive agreement with Tikona Digital Networks to acquire Tikona's 4G Business including the Broadband Wireless Access (BWA) 100 MHz spectrum in the 2300 MHz band, and network infrastructure, in five telecom circles giving it tremendous advantage to handle the surging data demand in the country. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.
- Airtel's popular music app - Wynk Music crossed the mark of 50 Mn app installs. Wynk Music now plays close to one billion songs per month and has witnessed a growth of 200% in daily streams over last year.
- Bharti Airtel successfully completed the secondary sale of over 190 Mn shares of its subsidiary Bharti Infratel Limited (Bharti Infratel) representing 10.3% stake, to a consortium of funds advised by KKR and Canada Pension Plan Investment Board (CPPIB).
- Airtel 4G services are now available all across the country including Jammu & Kashmir.



- Airtel rolled out over 400,000 units of Aadhaar based e-KYC solutions during the year. The Aadhaar-based digital verification offers convenience to customers and benefits the environment by eliminating the use of paper.
- Bharti Airtel Limited and Verizon Digital Media Services, the next-generation digital media platform, have launched new points of presence (PoPs) in four Indian cities: Mumbai, Chennai, Bangalore and New Delhi. This partnership will ensure that content on the Verizon Digital Media Services platform can be accessed by digital media consumers in a fast, seamless and reliable way, significantly enhancing customer experience.
- Airtel launched its Platinum 3G services for customers in Punjab, Bengaluru, Hyderabad and Assam. Airtel Platinum 3G offers a superior mobile experience to customers through faster mobile data speeds, significantly enhanced indoor data coverage and better voice clarity.
- Airtel announced the launch of its 2G and 3G mobile services in remote towns of Lumla, Nafra and Longding in Arunachal Pradesh under 'Project Leap'. This is also the first time that customers in these towns will have access to the 3G mobile services.
- Bharti Airtel, through its subsidiary Bharti Airtel Services, acquired a strategic equity stake in Seynse Technologies Pvt. Ltd., a financial technology (FinTech) company. Seynse (pronounced 'Sense') has created the popular digital lending platform called Loan Singh, which enables easy loans for credit-worthy yet under-served borrowers.

## Homes Services

### Overview

In the Homes segment, the offerings include high-speed broadband on copper and fiber, up to the speed of 100 mbps in 87 cities across India. Besides, the product portfolio also includes local, national and international long-distance voice connectivity and other VAS services.

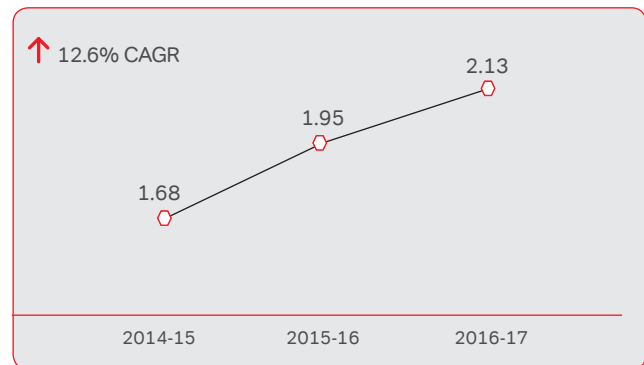
The Company rolled out 'V-Fiber' technology for its Homes customers and became the first operator to deploy vectorisation in India, this enables customers to experience internet speed of up to 100 Mbps. As on March 31, 2017, 62% of total customers were vectorisation enabled.

The Homes business had 2.1 Mn customers as on March 31, 2017, representing a growth of 9.2%, compared to 1.9 Mn at the end of the previous year. DSL customers now represent 92.3% of the total Homes customers, compared to 88.8% in the previous year.

Revenues from Homes services stood at ₹ 27,518 Mn for the year March 31, 2017, compared to ₹ 25,066 Mn in the previous year, an increase of 9.8%. EBITDA margin improved from 42.5% to 47.2% compared to last year.

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	27,518	25,066	10%
EBIT	6,868	5,682	21%

## Homes Subscribers: (Million)



### Key Highlights

- Airtel launched 'V-Fiber' to deliver superfast broadband to 'Digital Homes'. V-Fiber delivers superfast data speed of up to 100 Mbps over Airtel's existing broadband network and enable a rich online experience in a multi-device environment.
- Airtel rewards all its broadband Homes customers with 5GB free additional data for every Airtel postpaid and/or digital TV (DTH) connection in their home/family. The more connections the customers have the more free data they get.
- Airtel rolled out 'Airtel Surprises' for all home broadband customers to mark the two million customer milestone. 'Airtel Surprises' offered free additional monthly data top-ups and access to over 10,000 movies and TV shows with free subscriptions on Airtel Movies.

## Digital TV Services

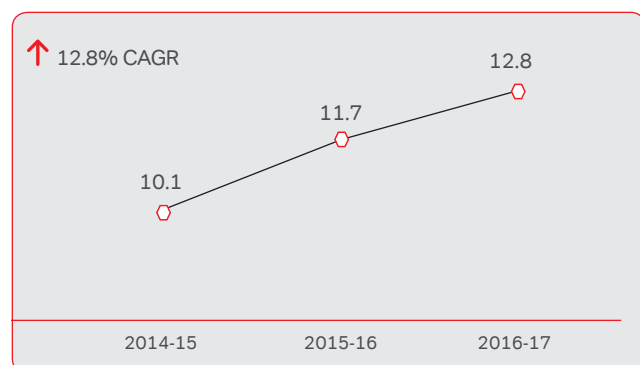
### Overview

The Company served a customer base of 12.8 Mn on its Direct-to-Home platform (Airtel digital TV), as on March 31, 2017, adding 1.1 Mn customers during the year.

The Company currently offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. The Company currently offers 588 channels, including 65 HD channels, five international channels and five interactive services. Revenues stood at ₹ 34,306 Mn for the year March 31, 2017, compared to ₹ 29,178 Mn in the previous year, an increase of 17.6%. Affordability of HD set-top boxes and demand for HD channels led to ARPU increasing by ₹ 5 to ₹ 231, compared to last year. Consequently, DTH business turned positive operating free cash flow on full year basis. The operating free cash flow throughout the year was at ₹ 3,611 Mn against the cash burn of ₹ 1,004 Mn during the previous year.

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	34,306	29,178	18%
EBIT	3,577	1,843	94%



**DTH Subscriber Base (Million)****Key Highlights**

- Airtel launched 'Internet TV' – India's first hybrid Set-top box (STB), powered by Android TV. This brings the best of online content to the TV screen, along with a bouquet of over 500 plus satellite TV channels. This marks yet another industry first from Airtel that has been at the forefront of innovation in the DTH category.

**B2B Services****Airtel Business****Overview**

Airtel Business is India's leading and most trusted ICT services provider. Its diverse portfolio of services includes voice, data, video, network integration, data centre, managed services, enterprise mobility applications and digital media. Airtel Business consistently delivers cutting-edge integrated solutions, superior customer service. It has an unmatched depth and reach to global markets, enterprises, governments, carriers, and small and medium businesses.

**Revenues in this segment comprises:**

- Enterprise & Corporate Data and Fixed Line
- Global Business which includes wholesale voice and data

Revenue of Enterprise & Corporate Data and Fixed Line, together with Enterprise Mobile revenues (included in India Mobile) stand at ₹ 104,004 Mn for the year FY 2016-17, which is now 14.2% of the total India revenues.

Global Business, the international arm of Airtel Business, offers an integrated suite of global and local connectivity solutions, spanning voice and data to the carriers, telcos, OTTs, multinationals and content owners globally.

Airtel's international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle East - Western Europe – 4 (SWM4), Asia America Gateway (AAG), India - Middle East - Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSy). Along with these seven owned subsea cables; Airtel Business has a capacity of 22 other cables across various geographies.

Airtel Business's global network runs across 50 countries and five continents (250,000 Rkms); and has over 1,150 customers. It is further interconnected to its domestic network in India and direct terrestrial cables to SAARC countries and China, helping accelerate India's emergence as a preferred transit hub. Global Business now serves more than 60% of the SAARC countries' internet requirement.

Leveraging the direct presence of Airtel's mobile operations in 17 countries across Asia and Africa, Global Business also offers mobile solutions (ITFS, signalling hubs, messaging), along with managed services and SatCom solutions.

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	109,429	96,993	13%
EBIT	22,737	18,853	21%

**Key Highlights**

- Airtel launched 'India with Airtel' – a bouquet of end-to-end connectivity solutions for companies looking to set up businesses in India. 'India with Airtel' offers telecom and connectivity solutions to companies under one roof, thereby eliminating the challenge of dealing with multiple vendors and integration issues associated with it.
- Bharti Airtel International (Netherlands) BV (Airtel), a subsidiary of Bharti Airtel, entered into a definitive agreement with Orascom Telecom Media and Technology Holding S.A.E (Orascom) to acquire Orascom's entire equity stake in Middle East North Africa Company Submarine Cable Systems S.A.E (MENA-SCS). The acquisition is subject to requisite regulatory approvals.
- Airtel Global Business won the '**Best African Wholesale Operator**' award at Telecom Review Excellence Awards 2016.
- Airtel Global Business won the '**Best SMS Solution**' award at Messaging and SMS World Awards 2016. Airtel's Global Messaging Solution suite enables simplified and secure interconnection across worldwide mobile ecosystem.
- Airtel Global Business bagged '**Best Messaging Solution**' award at 2<sup>nd</sup> Annual Carriers World Awards, 2016. This prestigious award is aimed at recognising excellence and innovation at both the companies and individual level in the global telecom industry.
- Airtel Talk won the '**Best Consumer Service**' award at GTB Telecoms Innovation Awards, 2016.

**Passive Infrastructure Services****Overview**

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns and manages telecom towers and communication structures in 11 circles of India. It also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea Cellular). Indus Towers operates in 15 circles (four common circles with Bharti Infratel, 11 circles on an exclusive basis). Hence, the Company has a nationwide presence with operations in all 22 telecommunications circles of India.

As on March 31, 2017, Bharti Infratel owned and operated 39,099 towers, while Indus operated 122,730 towers. Bharti Infratel's towers, including its 42% interest in Indus, comprised an economic interest in the equivalent of 90,646 towers in India, as on March 31, 2017. Bharti Infratel is listed on the Indian stock exchanges (NSE and BSE).

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	60,829	55,589	9%
EBIT	17,246	14,437	19%

## Africa

### Overview

In FY 2015-16, the group had entered into definitive agreement to sell group's operation in Burkina Faso and Sierra Leone to Orange S.A. In FY 2016-17, on the fulfilment of the regulatory and other closing conditions, the group has consummated the divestment of these subsidiaries. Sale and lease back of 1,510 towers in Democratic Republic of Congo (DRC) and Niger was also completed. With this, the Company had sold and leased back 10,450 towers in 10 countries till now.

During the year, Nigeria Central Bank removed its currency peg and moved to Inter-Bank Rate (IBR) to increase USD supply to the country. Consequently, the Nigerian Naira depreciated 53.7% to USD in the year. The revenue-weighted currency depreciation versus the US Dollar across 15 countries in Africa over the last 12 months (exit March 31 rates) has been 19.35%, mainly because of depreciating Nigerian Naira, Ghanaian Cedi and Ugandan Shilling. In terms of the 12-month average rates, the revenue-weighted Y-o-Y currency depreciation has been 15.5%, because of depreciation in Nigerian Naira and Malawian Kwacha. To enable comparison on an underlying basis, all financials upto PBT and all operating metrics mentioned below are in constant currency rates as on March 1, 2016. These are adjusted for divestment of operating units for all the periods i.e. the comparison till PBT has been given below for 15 countries. PBT, as mentioned below, excludes any realised/unrealised derivatives and exchange gain or loss for the period.

As on March 31, 2017, the Company had 80.1 Mn customers in Africa across 15 countries, compared to 74.7 Mn customers in the previous year, an increase of 7.2%. Our continuous focus on acquiring quality customers has resulted in lower customer churn for the year at 5.1%, compared to 6.0% in the previous year. Total minutes on the network during the year increased by 7.1% to 140.7 Bn. At the end of the year, 18.1 Mn data customers accounted for 22.6% of the total customer base, compared to 20.3% in the previous year. The total MBs on the network has significantly increased by 95.5% to 139.0 Bn MBs from 71.1 Bn MBs in previous year with usage per customer increasing from 436 MBs to 677 MBs. Voice realisation per minute declined from 1.89 cents to 1.76 cents for the full year. Overall ARPU in Africa marginally declined from USD 3.87 to USD 3.82. Total sites in Africa on March 31, 2017 were 20,337 (PY: 19,254), of which 13,817 (PY: 12,741) were 3G sites, representing 67.9% of the total sites, compared to 66.2% in the previous year.

Airtel Africa revenues grew by 3.5% (4.4% adjusting for the impact of divestment of tower assets) to USD 3,568 Mn, compared to USD 3,448 Mn in the previous year. The Company's continued focus on running the operations efficiently and cost effectively has resulted in the EBITDA of USD 859 Mn for the year, compared to USD 667 Mn in the previous year, increase of 28.7%. Consequently, EBITDA

margin improved significantly by 4.7% (5.5% normalised for divestment of tower assets) to 24.1%, compared to 19.3% in the previous year. EBIT for the year was at USD 184 Mn, compared to a loss of USD 2 Mn in the previous year. PBT for the full year was positive for the first time and was at USD 33 Mn, compared to a loss of USD 159 Mn in the previous year. After accounting for full year capex of USD 410 Mn (PY: USD 738 Mn), operating free cash flow was USD 448 Mn as vis-à-vis a cash burn of USD 70 Mn in the previous year.

### In INR Reported Currency

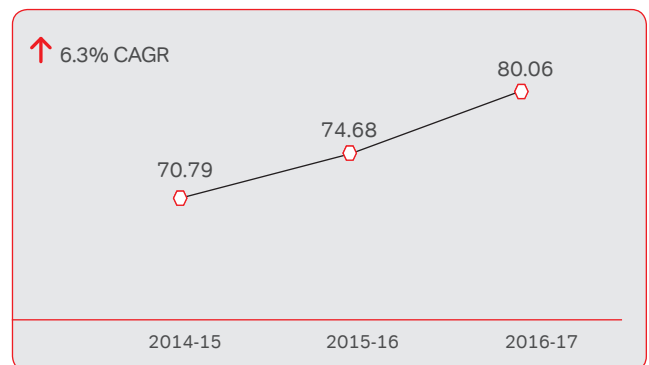
Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	219,568	251,332	(13%)
EBIT	10,189	4,909	108%

### In USD Constant Currency – 15 Countries\*

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth*
	USD (CC) Millions	USD (CC) Millions	%
Gross Revenues	3,568	3,448	3%
EBIT	184	(2)	

\*Normalising for impact of divestment of Tower assets, Y-o-Y revenue growth is 4.4%

### Wireless Subscribers: AFRICA (Mn) - 15 Countries\*



#During the current financial year, Bharti Airtel Limited divested two operating units in Africa. Accordingly, the table has been shown for remaining 15 countries only.

### Key Highlights

- Airtel Rwanda has signed a partnership agreement with Western Union, one of the world leaders in remittances, to ease international money transfers to its customers in Rwanda from across the globe.
- The transaction for the sale of Airtel operations in Burkina Faso and Sierra Leone to Orange S.A. has received full regulatory approval and consequently, the transaction has been closed on June 22, 2016 and July 19, 2016 respectively.
- Airtel divested its 922 telecom towers in the Democratic Republic of Congo (DRC) and 588 telecom towers in Niger to Helios Towers Africa.
- The transaction between Airtel and Government of Tanzania for the sale of Airtel's 35% shareholding in TTCL (a government-owned telecom company) was concluded in June 2016 and Airtel's exit from TTCL was announced by the Government.

- Bharti Airtel Nigeria B.V. (BAN BV), through its wholly-owned subsidiary (Airtel), has completed the acquisition of Econet Wireless Limited's entire 4.2% shareholding in Airtel Nigeria. With this move, the telco's holding in Airtel Nigeria has increased from 79.06% to 83.25%.
- During the quarter ended on December 31, 2016, the Group acquired 24.89% stake in Airtel Ghana Limited via acquisition of shares during its rights issue. Subsequent to the transaction, the shareholding of the Group in Airtel Ghana Limited has increased to 99.89%.
- In Niger, the Company has applied for the allotment of additional spectrum in 900 MHz band.
- Bharti Airtel Limited (Airtel) and Millicom International Cellular S.A. (Millicom) signed an agreement to combine their operations in Ghana through their respective subsidiaries, Airtel Ghana Limited and Tigo Ghana Limited. As per the agreement, Airtel and Millicom will have equal ownership and governance rights in the combined entity. The closing of the said transaction is subject to certain customary regulatory approvals and other conditions.
- In June 2016, the Government of Tanzania passed a new law that requires all telecommunication operators to list at least 25% of their shareholding on Stock Exchange. Accordingly, the Company has filed draft prospectus with the Dar es Salaam Stock Exchange on December 30, 2016.
- In DRC, Airtel has applied for additional spectrum in the 2G and 3G frequencies, as well as for the extension of 2G license, which is expiring in 2019. The Company is currently in discussion with the regulator for the available spectrum, pricing and duration of spectrum holding.

### Awards & Recognition

- **Airtel Nigeria ranked among the top three best employers to work for** in Nigeria in a survey conducted by Jobberman, a sophisticated recruitment, selection and HR solutions company.
- **Airtel has been rated among the top 10 most Admired Brands in Africa** in 2016-17 by Brand Africa.
- **Airtel Ghana was globally adjudged 'Best Telecom Company for Corporate Social Responsibility'** at the 2016 Global Carrier Awards.
- **Airtel Zambia won the 'Best Corporate Social Responsibility (CSR) Education Project'** and the 'Best CSR Partnership in the Community' award at the Public Service Excellence Annual Awards.
- **Airtel Africa won 'Most Innovative Service' award** at AfricaCom 2016. AfricaCom is the largest and most influential Africa-focused tech event and this year's focus was on economic development and social empowerment through digital connectivity.

- **Airtel Nigeria won 'Customer Service Operator' of the year and CEO of the year award** at the Nigeria Telecoms Awards.
- **Airtel Tanzania was awarded Global Telecom Business (GTB) Innovation Award for Airtel Money 'Tap Tap' NFC payments** in the 'customer service' category at the GTB Telecoms Innovation & Technology Summit 2016.
- **Airtel Ghana swept four of the biggest accolades at the Ghana Telecoms and ICT Awards** for 'Best Data and Internet Service Provider', 'Best use of Social Media', 'Marketing Campaign of the Year' for its 'Too Much' campaign and Airtel Ghana's CEO received the 'Telecom CEO of the Year' award.
- **Airtel Uganda won two awards at the Social Media Awards 2016** for 'Best Corporate Social Campaign Online - Together We Can' and 'Best Customer Care Online'.
- **Airtel Zambia won 'Best CSR Award'** for Corporate Social Responsibility Policy, HIV/Aids Policy, Internship Policy and Environmental Management Policy at Zambia Federation of Employers Awards.

### South Asia

#### Overview

In FY 2016-17, the Company completed the merger of its subsidiary Airtel Bangladesh Limited (Airtel) with Robi Axiata Limited (Robi Axiata), with effect from November 16, 2016. Consequently, the financial numbers of South Asia, as mentioned below, are not comparable as the current year includes Bangladesh results for part of the year. Full year revenues of South Asia were at ₹ 11,743 Mn, compared to ₹ 16,454 Mn in the previous year. EBITDA for the year was at ₹ 238 Mn, compared to loss of ₹ 801 Mn in the previous year. EBIT losses for the year reported at ₹ 4,018 Mn, vis-a-vis loss of ₹ 6,394 Mn in the previous year. Capex for the year was ₹ 1,830 Mn, compared to 3,321 Mn in the previous year.

Particulars	FY 2016-17	FY 2015-16	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	11,743	16,454	-29%
EBIT	(4,018)	(6,394)	37%

#### Key Highlights

- Bharti Airtel Ltd announced completion of the merger of its subsidiary Airtel Bangladesh Limited (Airtel) with Robi Axiata Limited (Robi Axiata), a unit of Axiata Group Berhad (Axiata). The combined entity has emerged as the second largest mobile operator in Bangladesh with approximately 32.2 Mn active subscribers as on December 31, 2016. The merged entity has the widest network coverage of 99% of the population with over 13,900 on-air sites, of which over 8,000 are 3.5G sites. The shareholding pattern of the combined entity is as: Axiata Group Berhad of Malaysia holds 68.7% controlling stake in the entity, Bharti Airtel Limited holds 25%, while the remaining 6.3% is held by NTT Docomo of Japan.

## Risk Management Framework 2016-17

### Risks and Concerns

At Bharti Airtel, we have thrived globally by building a culture of innovation and high performance. We explore new markets and business models across the world, evolve new ways of customer and stakeholder engagement, enter into new strategic partnerships. Also, we adopt new technologies and build exponential efficiencies in existing systems. While these initiatives unveil a universe of possibilities, potential risks and uncertainties arise in a volatile business environment. The distress signals need to be addressed with urgency for smooth operations. Therefore, we have created a robust risk management framework in our operating landscape. We have a sound practice to identify key risks across the Group and prioritise relevant plans for mitigation.

**At the Board Governance level,** the Risk Management framework is reviewed bi-annually by the Company's Risk Management Committee. The Board of Directors performs

an annual review. These apex reviews include: discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks. The internal audit function is responsible to assist the Risk Management Committee on an independent basis with a full status of risk assessments and management. Every quarter, the Risk Management Committee also obtains periodic updates on certain identified risks, depending upon the nature, quantum and likely impact on the business.

**At the management level,** the respective CEOs of the management boards (AMB and Africa Exco) are accountable for managing risks across their respective businesses, viz. India and South Asia, and Africa. The strategic risk registers capture the risks identified by the operating teams (Circles or Operating Companies), as well as the functional leadership teams at the national level. The AMB/Africa Exco ensure that the environment – both external and internal – is scanned for all possible risks. Internal audit reports are also considered for identification of key risks.



**At the operating level,** the Executive Committees (EC) of circles in India and operating companies in the international operations are entrusted with responsibilities of managing the risks at the ground level. Every EC has local representation from all functions, including many centrally driven functions like IT, Legal & Regulatory, Finance and SCM. Besides, it also has customer-facing functions, such as Customer Service, Sales & Distribution and Networks. It is the responsibility of the circle CEO or the Country MD to pull together various functions and partners to manage the risks. They are also responsible for identification of risks, and escalating it to the Centre for agreeing mitigation plans. Operating level risk assessments (RACM) have been concluded at Function/Op Co risk assessment and mitigation plans agreed and kicked off.

Internal audit plans are being drawn up to ensure scope and coverage of these critical risks during the course of next year.

The key risks that may impact the Company and mitigating actions undertaken by the Company comprise:

#### 1. Regulatory and political uncertainties (Legal & Compliance)

##### Risk Statement:

- The Company operates in India, Sri Lanka and 15 African countries. Some of these countries (or regions

within countries) are affected by political instability, civil unrest and other social tensions. The political systems in a few countries are also fragile, resulting in regime uncertainties; hence, the risk of arbitrary action. Such conditions tend to affect the overall business scenario. In addition, regulatory uncertainties like escalating spectrum prices, call drops/EMF penalties, among others are potential risks the business faces.

##### Mitigation:

- As a responsible corporate citizen, we engage proactively with key stakeholders in countries where we operate; and continuously assess the impact of the changing political scenario. We contribute to the socio-economic growth of these countries through high-quality services to our customers, improved connectivity, providing direct and indirect employment, and contributions to the exchequer. Our annual sustainability report highlights to the larger external environment, the role we are playing in these countries. We maintain cordial relationships with governments and other stakeholders in every country where we operate. The country MDs and circle CEOs carry direct accountability for maintaining neutral government relations. Through our



CSR initiatives (Bharti Foundation), we contribute to social- economic development, especially in the field of education.

- We actively work with industry bodies like COAI, CII, and FICCI on espousing industry issues like penalties, right of way, tower sealing, so on so forth.

## 2. Economic uncertainties (Operational)

### Risk Statement:

- The Company's strategy is to focus on growth opportunities in the emerging and developing markets. These markets are characterised by low to medium mobile penetration, low internet penetration and relatively lower per capita income, thus offering more growth potential. However, these countries are also more prone to economic uncertainties, such as capital controls, inflation, interest rates and currency fluctuations. Since the Company has borrowed in foreign currencies, and many loans are carrying floating interest terms, it is exposed to market risks. This risks impact which impact the Company's earnings, cash flow and balance sheet. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending, including telecom.

### Mitigation:

- As a global player, with presence across 17 countries, the Company has diversified its risks and opportunities across markets.
- Through a variety of services, including voice, data, Airtel Money and value added services, the Company has also spread its portfolio.
- To mitigate currency risks, Airtel follows a prudent risk management policy, including hedging mechanisms to protect its cash flow. No speculative positions are created; all foreign currency hedges are taken on the back of operational exposures. A prudent cash management policy ensures that surplus cash is up-streamed regularly to minimise the risks of blockages at times of capital controls. The Company has specifically renegotiated many operating expenditure/capex Fx contracts in Africa and converted them to local currency, thereby reducing Fx exposure.
- To mitigate interest rate risks, the Company is further spreading its debt profile across local and overseas sources of funds to create natural hedges.
- Finally, the Company adopts a pricing strategy that is based on twin principles of mark to market, profitability and affordability, which ensures that it protects margins at times of inflation, and market shares at times of market contraction.

## 3. Poor quality of networks and Information Technology including redundancies and disaster recoveries (Operational)

### Risk Statement:

- The Company's operations and assets span wide geographies. Its telecom networks are subjected to risks of technical failures, partner failures, human errors, wilful acts, and natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages,

software errors, fiber cuts, lack of redundancy paths, weak disaster recovery fall-back, and partner staff absenteeism, among others are few examples of how network failures happen. Repeated outages and poor quality of networks cause disruption of services, resulting in revenue losses, customer attrition, market share losses and damage to brand image and the Company reputation. Regulators are now also levying stiff monetary penalties for poor quality of services.

- The Company's IT systems are critical to run the customer-facing and market-facing operations, apart from running internal systems. In many geographies or states, the quality of IT connectivity is sometimes erratic or unreliable, which affect the delivery of services like recharges, customer query, distributor servicing, customer activation, and billing, among others. In several developing countries, the quality of IT staff is rudimentary, leading to instances of failures of IT systems and delays in recoveries. The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others. There is a huge dependence on IT staff for the turnaround of such projects. Unauthorised access to network and IT systems can result in wrong configurations, poor quality of service, frauds and regulatory non-compliances.

### Mitigation:

- Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. As part of the previously announced Leap Programme in India, the Company continuously seek to address issues (congestion, indoor coverage, call drops, modernisation and upgrade of data speeds, among others) to ensure better quality of network. Recent efforts also include transformation of the microwave transmission, fiber networks, secondary rings/links and submarine cable networks. The Company consistently eliminates systemic congestion in the network, and removes causes of technical failures through a quality improvement programme, as well as embedding redundancies. Tighter SLAs are reinforced upon network partners for their delivery. The Company's network team performance is measured based on network stability, customer experience and competitor benchmarking. The Revenue Assurance team constantly monitors revenue leakages due to failure of systems or configuration errors. The Company follows a conservative insurance cover policy that provides a value cover, equal to the replacement values of assets against risks, such as fire, floods, and other natural disasters.
- In Africa, a sustained concentrated investment programme based on market revenue mapping and using sub Ghz spectrum for broadband data will ensure that the Company's network quality in these areas are comparable, if not better than competition.
- The Company's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. It has been proactively seeking sharing relationships on towers, fiber, VSAT, data centres and other infrastructure. The disposal of towers in Africa to independent and well-established tower companies and long-term lease arrangements with them will ensure high quality of assets and maintenance on the passive infrastructure. It has also put in place

redundancy plans for power outages, fiber cuts, VSAT breakdowns, and so on, through appropriate backups such as generators, secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; and internal IT architecture teams continuously reassess the effectiveness of IT systems. The Company's mean time to recovery was the fastest after the recent cyclone in Chennai.

- Information security is managed by dedicated IT professionals, given the huge dependence on automated systems, as well as to ensure that customer privacy is protected.

#### **4. Inadequate quality of customer lifecycle management from acquisition to churn (Operational)**

##### **Risk Statement:**

- In a market dominated by pre-paid customers, several inefficient processes have crept in over years across the industry, in respect to customer acquisitions. Such practices are resulting in high rotational churn, high acquisition costs, low lifetime value of new customers, diversion of focus of sales force on acquisitions, rather than revenue generation, trade frauds, among others.
- Customer mindsets and habits are shifting rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. The competitive landscape is also changing dramatically, as operators vie with one another to capture customer and revenue market shares. Failure to keep pace with customer expectations would result in customer churn, leading to erosion of revenues, profits, cash flows, and market share losses.

##### **Mitigation:**

- Improved customer acquisition processes like monitoring new customer acquisition churn, high acquisition recharge denominations, direct distribution, and trade margins structures have been introduced.
- The Company constantly refreshes its ways of working, especially in customer service, innovation, marketing and distribution. These are now captured in the Company's integrated Customer Lifecycle Management approach, which ensures that every customer's behaviour is studied and classified, followed by segmented service and price offerings. Organisational effectiveness is enhanced through appropriate design and creation of leaner and multi-functional teams. Technologies and tools (business intelligence, scientific pricing models) are deployed to managing the customer lifecycle.

#### **5. Non-compliance with subscriber verification and KYC regulations (Operational)**

##### **Risk Statement:**

- Regulators are introducing more stringent subscriber verification and KYC guidelines, including verification processes capturing biometrics, such as retina scan, fingerprints, among others. The quality of KYC documents is also being stringently scrutinised. Non-compliance with these guidelines entails severe penalties, which is reflected by instances of such actions by regulators on other operators.

##### **Mitigation:**

- With the recent regulatory announcement of allowing Aadhar based eKYC activations in India, the Company has begun investing significantly in KYC tools, including biometric scanners to improve the quality of subscriber activation and documentation processes as per the required legislation. The Company's aim is to disburse the eKYC adoption across its 1.5 Mn retailers. Self-compliance and reinforcing of 'tone at the top' to ensure compliance is the bedrock of our control. Focus on quality of partners and IT systems, staff training, proactive maker-checker controls and internal audits, as well as robust internal MIS help achieve adherence to compliances. Internal MIS on compliance scores, activation time taken, among others have been standardised to achieve greater focus on compliances. Staffs involved in such processes have been revamped to reflect clear responsibilities for compliance to verification and KYC guidelines. Severe management action is taken in case of any non-compliance.

#### **6. Increase in cost structure (capex/operating expenditure) ahead of revenues (Operational) impacting liquidity**

##### **Risk Statement:**

- Across the markets, cost structures have been increasing both from volumes (new sites rollouts, capacity) or/and rate increases (inflation, Fx impacts, wage hikes and so on). These costs may not be naturally compensated through revenue increases, which are linked to telecom mark to market issues e.g. market tariffs, competitive positions, and idle capacities. The advent of a new disruptive competitor can stretch the balance sheet of the Company in the short run. Consequently, company margins/cash flows can come under severe pressure, putting the financial health of the Company at risk.

##### **Mitigation:**

- The Company has institutionalised the War on Waste (WOW) Programme, an enterprise-wide cost-reduction programme. This has been rolled out across all functions and countries. All countries are targeting cost reductions and cost efficiencies. WOW has also been extended into the capex committees, ensuring stringent monitoring of capex proposals. The proposals now systemically need to cover issues like revenue generating capex ratio, capex trigger, risks, alternates, and competitors, among others.
- Reduction in capex spends and improvement in capex productivity has happened with significant programmes like ICR, fiber sharing IRU, fiber co-build and Africa tower disposal.
- The Company has introduced more scientific approach into the decision-making criteria for investments in new sites.
- The Company is looking at substantial monetisation of its tower assets to bolster its balance sheet position.

#### **7. Entry of new competition with disruptive business models (Strategic)**

##### **Risk Statement:**

- Entry of a new operator in India into an already crowded telecom market is a potential risk. Disruptive pricing

through 'free offers' in the short term and creation of surplus capacities will lead to pricing pressures in the industry; and at the same time accelerate customer migration from legacy 2G/3G networks. This may put pressure on margins/cash for the Company in the short term, before industry consolidates or the surplus capacity is absorbed.

#### Mitigation:

- Airtel has prided itself on being the #1 network operator across the country. Its long term spectrum strategy, based on future technologies and consumer needs have been ahead of the market. The Company, in 2015, was the first operator to launch 4G across India.
- With spectrum acquisitions through auctions and trading (Videocon, Aircel, Augere), Airtel has significantly bolstered its spectrum capacity to face the new data war. Data capacity for Airtel is estimated between 2x to 3x of the #2 and #3 operator in the country. The Company has become the only company with 3G and 4G spectrum across all 22 circles in India.
- Airtel has backed the spectrum bank with significant investments on the ground and as of December 2016, it has nearly 170,000 mobile broadband sites across the country.
- Airtel has also been the preferred network for high value customers; and has the highest ARPU in the industry. The Company has strategic programmes for driving down churn through an integrated and end-to-end experience, providing sharp propositions for high-value customers.
- Also, its unique portfolio beyond wireless consisting of Home broadband, Airtel Business, DTH TV continue to grow and deliver significant value to the Company.

### 8. Issues arising out of emerging businesses and new technologies (Strategic)

#### Risk Statement:

- Evolving technologies result in change in customer value propositions. The quality of internet experience, especially in a seamless manner and indoor environment has emerged as a key competitive parameter. Digital content and apps have now become the favourites for mobile customers. Digital Mobile money technologies, innovative mobile apps, Cloud, M2M, SaaS and other technology-based VAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence. Keeping pace with changing customer expectations is a big agenda for the telecom sector.
- There is also a serious risk of unavailability of right skills to grow these emerging businesses and deploy the new technologies. Talent availability in emerging economies is also limited, since the overall demand for good talent far outstrips the supply, specifically for IT and Networks, affecting the performance of our partners also. In addition, there is a need for constantly upgrading skills and competencies of the existing workforce. Skill mismatch leads to failed launches, ill-planned projects, sub-optimal cost structures, faulty asset configurations, among others, which in turn leads to financial losses.

#### Mitigation:

- Airtel's strong strategic vendor relationships – especially in the areas of network technologies, IT, mobile money and a few other key VAS technologies, help it keep pace with technology shifts and retain market leadership. The Company's own digital innovations such as Wynk under which, OTT apps like Music, Movies and Gaming, and My Airtel app, among others are few examples of its keeping pace with the changing landscape.
- The Company has also entered the digital payments space and is the first company to launch a Payments bank. This will enable it to become a key player in this rapidly evolving ecosystem post the demonetisation move in India. In Africa, it is already seeing the benefits of mobile money and on reducing customer churn.
- Airtel has always adopted a holistic approach to talent. For emerging businesses, the Company has defined a sharp and compelling value proposition and firmed up its position in the talent market through focused communication across social media platforms. With majority of talent needs in the technology and product space, the Company has systematically mapped out relevant talent in digital start-ups and fin-tech. The Company has laid out a separate hiring process and leverages new-age social tools, communities & Artificial Intelligence based hiring solutions to keep pace with the changing talent landscape. Selection processes place emphasis on technical capabilities and cultural fit. To sustain & grow these businesses through millennial, the Company has flat structures and a vibrant work environment that fosters the culture of empowerment, collaboration, innovation & high performance. All the process & policies of the companies are designed to drive the culture.

### 9. Adverse regulatory taxation or fiscal taxation developments including risks related to tax positions (Legal & Compliance)

#### Risk Statement:

- Regulatory developments in India, South Asia and Africa can pose several challenges to the telecom sector. The telecom sector is highly taxed with high revenue share-based license fees and significant spectrum acquisition costs in auctions. Besides, there are multiple levies, such as service taxes, excise duties, VAT, and excise duties, among others. The corporate tax rates on profits, combined with withholding taxes on remittances have made the overall tax structure extremely heavy. In several countries, tax litigations are getting prolonged due to ambiguous interpretations and lack of judicial precedents. In some countries, which are undergoing economic challenges, unfortunately, the telecom industry is being seen as a 'cash cow'. The impending rollout of GST in India will have wide ranging impact on the Company's IT systems, trade relations and supply chain.

#### Mitigation:

- The Company has always stood for a fair, transparent and non – discriminatory government policy on telecom regulations. It has insisted governments of all countries that sustainable regulatory regimes will lead to a healthy growth of the sector. It will facilitate higher investments and modernisation, which in turn, will benefit the



industry and society. The Company stands for a regime that promotes healthy, competitive pricing, keeping two objectives in mind – customer interests and the sector's health. The Company has been at the forefront of industry cooperation to share infrastructure, minimise impact on the environment, lower operational cost and make services more affordable. As a responsible operator, it participates in government consultation and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices.

- The Company has put in place a GST steering committee to prepare itself for the new GST law. The team comprises members across functions, as the impact will be far reaching across the organisation but with other stakeholders like the Government and trade channels. The Company through COAI has been working actively with the Government GST committees to frame the telecom industry issues.

## 10. Gaps in internal controls (financial and non-financial) – (Operational)

### Risk Statement:

- The Company serves to over 372 Mn customers globally with a monthly average of 156 Bn minutes of voice and 90 Bn MBs of data, on wireless networks located at more than 182,000 sites. Gaps in internal controls and process compliances not only lead to wastage, frauds and losses, but can also adversely impact the Airtel brand.

### Mitigation:

- Airtel's business philosophy is to ensure compliance with all accounting, legal and regulatory requirements proactively. Compliance is monitored meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors.
- Besides internal audits, the Company also has a process of self-validation of several checklists and compliances, as well as a 'maker-checker' division of duties to identify and rectify deviations early enough. The Company has implemented GRC systems (Governance, Risk and Compliance) to embed systemic controls.

The Company has established internal financial controls and the Corporate Audit Group has tested such controls. The Audit Group has asserted that the Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors. Further, it includes accuracy and completeness of accounting records and timely preparation of reliable financial information.

## Internal Controls

The Company's philosophy towards internal control is based on the principle of healthy growth and proactive approach to risk management. Aligned to this philosophy, the Company has deployed a robust framework of internal controls that facilitates efficient conduct of business operations in compliance with Company policy; fair presentation of the Company's financial results in a manner that is complete, reliable and understandable; ensure adherence to regulatory

and statutory compliances; and safeguards investor interest by ensuring the highest level of governance. The internal control framework has been set up across the Company and is followed at the circle and country level. This framework is assessed periodically and performance of circles and countries are measured via objective metrics and defined scorecards.

Accounting hygiene and audit scores are driven centrally through central financial reporting team and Airtel Centre of Excellence (ACE). Both teams are responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the Company's accounting policies. Regulatory and legal requirements, accounting standards, and other pronouncements are evaluated regularly to assess applicability and impact on financial reporting. The relevant financial reporting requirements, documented in the Group Accounting Manuals, are communicated to relevant units and enforced throughout the Group. This, together with the financial reporting calendar evidencing the tasks and timelines, forms the basis of the financial reporting process.

M/s. S.R. Batliboi & Associates LLP, Airtel's Statutory Auditors, have done an independent evaluation of key internal controls over financial reporting (ICOFR) and expressed an unqualified opinion stating that the Company has, in all material respects, adequate internal control over financial reporting; and such internal controls over financial reporting were operating effectively as on March 31, 2017.

The Company has in place an Internal Assurance (IA) function, headed by Group Director, Internal Assurance. M/s. KPMG and M/s. ANB & Co (ANB) are the Internal Auditors of the Company who conduct financial, compliance and process improvement audits each year. Audits are categorised into defined assurance tracks, with M/s. KPMG responsible to audit Finance and Technology track and ANB responsible to audit Customer and L&R track. M/s. KPMG and M/s. Deloitte were also engaged to perform forensics work. The internal assurance plan for the year is derived from a bottoms-up risk assessment and directional inputs from the Audit & Risk Management Committee. The Audit & Risk Committee oversees the scope and coverage of the IA plan, and evaluates the overall results of these audits during the quarterly Board Audit Committee meetings. The Audit Committee & Risk also reviews the effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. An independent validation was also led by the internal assurance function to assess the effectiveness of Internal Financial Controls (IFC) and no reportable material weaknesses in the design or operation were observed.

CEO and CFO certificates from all operating entities, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies to the Audit & Risk Committee and rectify the same. The Company's code of conduct requires compliance with law and company policies. It also covers matters such as financial integrity, avoiding conflicts of interest, workplace behaviour, dealings with external parties and responsibilities to the community.

The Airtel Centre of Excellence (ACE) based in Gurgaon and Bengaluru, is the captive shared service for financial accounting, revenue assurance, SCM and HR processes. Its global footprint across 17 countries is bolstered by standardisation of all these processes across the



organisation with inbuilt embedded controls. Digitisation of ACE is aimed as a part of the transformation agenda and includes initiatives like system-based reconciliation, reporting processes with vividly defined segregation of duties. ERP integration in Africa into an Oracle Single instance across all African countries ensures uniformity and standardisation in ERP configurations, chart of accounts, finance and SCM processes across countries. Quality of financial reporting and controls continues to show improvement. The Company continuously examines its governance practices to enhance investor trust and improve the Board's overall effectiveness. Initiatives such as virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvement in control scores across India and Africa. Oracle Governance Risk & Compliance (GRC) module has been implemented for India and Africa to strengthen existing controls pertaining to access rights for various ERPs, ensuring segregation of duties and preventing possibilities of access conflicts.

The Company was awarded for corporate transparency and reporting in 2016 by Transparency International. This award recognises reporting on anti-corruption programs, organisational transparency and country by country reporting. Further the Company was also awarded the Golden peacock award for excellence in corporate governance for 2016. During the year, the Company was also awarded the Best Risk Management Practice Award in the Telecom Category at India Risk Management Awards instituted by CNBC TV18 and ICICI Lombard for its robust risk management practices and their implementation as strategic tools for a safe, secure and sustainable growth. The honor is in addition to bagging the 'Best Governed Company Award' instituted by the Asian Centre for Corporate Governance & Sustainability.

### Material Developments in Human Resources

Airtel has always been at the forefront of innovation and technological newness, and our human resources have been vital in powering such metamorphosis. For us, honing our human resources is important, around which the Company has modelled one of its five GPS principles – Win with People.

As custodians of the Company's talent, team HR believes that upskilling, empowering and unleashing talent will trigger path-breaking achievements and help sustain the Company's growth trajectory and market leadership. Airtel continued to win accolades as a good employer, including the Aon Best Employers India 2016 and Business Today Best Companies to Work For awards. The Company's page on LinkedIn has been quite popular with more than 285,000 followers, who have turned out to become the Company's biggest brand ambassadors.

In FY 2016-17, Airtel sustained a strong culture of high performance by timely setting of targets, clarity on goals and measurement criteria. Mid-year and annual performance assessments were concluded on time, and the increased emphasis on quality of dialogues between employees and their reporting managers ensured a constructive and development-oriented experience for employees. The Company's unique process of providing 'One View of Talent' through talent councils has ensured identification of and nurturing a robust talent pipeline. Internal succession planning rate of over 70% reflected growth opportunities for in-house talent. The Company continued to hire external talent with critical skills in newer domains such as digital, banking, and machine learning, among others. The design and launch of 'Lead Right' as Airtel's unique model of value-based leadership behaviour, has re-affirmed the Company's commitment to sustaining its culture as the bedrock of its corporate success.

The first ever "Airtel Career Fair" was kicked-off in March 2017 and is a key milestone in the two-decade history of the Company. It marks the arrival of Airtel as a great learning institution in the league of other corporate legends. The idea behind the fair is for employees to take charge of their career and help echo the sentiment, 'I have a future here'.

At Airtel, gender diversity is a key focus area. It partnered with other employers to conduct joint programmes for women leaders. The Company's unique initiatives under the 'WE'- Women Empowered platform were intensified, with the successful roll-out of "WE Lead" (interactions with accomplished women leaders from industry), "WE Chitchat"

(mentoring young women) and “WE Achieve” (recognition of top women achievers). One of the Company's young women leaders, Ms. Swathi Madan was adjudged the all-India winner of the prestigious Prof. Ram Charan Young HR Leader Award, conferred by the National HRD Network. Another young woman leader, Ms. Pooja Sablok, was one of the 50 winners of the ET Young Leaders 2016 Award, after undergoing a series of rigorous tests and evaluations from among 32,000 aspirants. Global CIO Ms. Harmeen Mehta was named in the global list of 50 accomplished women leaders by Global Telecoms Business, an international publication. The Company's policy in India was updated to provide 26 weeks of paid maternity leave, along with a pledge to provide the same role or an equivalent one to the woman employee on her return.

Airtel also entered into a partnership with Lynda, LinkedIn's learning hub, which has empowered every employee to chart his/her own learning journey by providing access to the best-in-class online learning resources. HR has also leveraged on a partnership with Cornerstone on Demand to launch iLearn – the Company's Learning Management System. The partnership facilitates self-paced learning for employees by providing them timely and on-demand access to high quality and relevant e-learning content. With more than 11,000 learners completing over 61,000 online courses and attending more than 5,400 class room sessions, the Company made significant strides on the learning front. It also partnered with Harvard ManageMentor, to provide unique and high-quality online leadership development courses to employees at all levels. The Company also launched several digital tools to enhance employee experience such as ‘Telecom 101’ learning module, and a mobile app named ‘Hive’, which is not only an internal social media platform, but also enables instant pulse surveys, mobile learning, and travel claims, among others.

Airtel also implemented ‘HR on Cloud’, a state-of-the-art HR system from Oracle, which enables the Company to manage all people processes seamlessly. Its best people practices are hard-coded and all employees have been empowered with easy-to-use tools that are personalised, digital and social, delivering insights across the entire employee lifecycle. Airtel's successful launch of one global instance, of this

system, across 17 countries in one stroke was appreciated at the Oracle OpenWorld India Conference.

## Outlook

India's economy is witnessing a steady economic growth and has been projected to grow at above 7% in 2017. Infrastructure development across sectors will be a key to this economic growth and growth in telecom is fundamental to Government of India's ‘Digital’ drive. Digital India drive is aimed at potential of digital technologies to address socio-economic challenges in the country and mobile network will play a crucial role in addressing these goals. India is now the second largest smartphone market, overtaking USA. India is also seeing an ongoing shift towards mobile broadband services. Improving profitability, falling smartphone pricing and aggressive network rollouts by operators are driving increased tele-density in the country. India is expected to have 500-600 Mn mobile broadband users by 2020, which will also increase the adoption of mobile banking and commerce opportunities.

Africa's telecom sector continues to grow and the conditions underpinning this growth story are – economic and population growth, increasing urbanisation, rising middle class and investment in infrastructure. Sub Saharan Africa remains the region with the highest growth rate in mobile subscriptions globally. Sub-Saharan Africa is home to young population with 57% population below the age of 15, which will be a key driver in telecom growth story in a few years. Substantial growth opportunities exist in the data market in Africa, both in terms of data connectivity and data-based services. Additionally, mobile money has significantly contributed to changing the financial inclusion landscape. Mobile money continues to improve financial inclusion in Africa.

Telecom operators continue to invest heavily on networks to tap the increased demand from the sector. Bharti Airtel's Pan-India 3G and 4G footprint, pan-India Payments bank operation, South Asia presence, diversified and integrated product portfolio, and network roll outs in Africa will act as major stimulus to the Company's growth against its competitors.

## Report on Corporate Governance

Corporate Governance is more than a set of processes and compliances at Bharti Airtel Limited. It underlines the role that we see for ourselves for today, tomorrow and beyond.

The following report on Corporate Governance, reflecting ethos of Bharti Airtel Limited (Bharti Airtel / Airtel / the Company) and its continuous commitment to ethical business principles across its operations, lays down the best practices and the procedures adopted by the Company in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and internationally followed standards of corporate governance.

### Governance Philosophy

At Bharti Airtel, Corporate Governance focuses on creating and sustaining a deep relationship of trust and transparency with all stakeholders. We follow ethical business standards in all our operations globally. We consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

The norms and processes of Corporate Governance reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as our leadership and governance structure. Over the years, our stakeholder commitment has enhanced the respect and recall of our brand nationally and internationally. Our global stature has enabled us to attract the best talent and resources to translate our short-term and long-term strategies into a viable business blueprint.

Our Board of Directors ('Board') shapes the long-term vision and policy approach to steadily elevate the quality of governance in our organisation. We follow a defined guideline and an established framework of corporate governance. The objective is to emerge as a market leader in our industry, nationally and internationally with focus on creating greater value for all those who have a stake in our progress directly or indirectly. The Board puts a lot of emphasis on creating a global talent pool, compliant ethical business practices and making all our actions consistent with the need to protect the environment by following green practices and technologies.

Our Board represents a confluence of experience and expertise across diverse areas, ranging from global finance, telecommunication, general management, administrative services and consulting.

There is a clear demarcation of duties and responsibilities among the Chairman and Managing Directors & CEOs to ensure best corporate performance and socio-economic value creation.

Our governance conforms to global standards through continuous evaluation and benchmarking. The broad tenets Company follows are:

- Transparent procedures and practices and decisions based on adequate information.
- Compliance with all relevant laws in letter and spirit.
- High levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Constitution of various Committees for Audit & Risk Management, HR and Nomination, Corporate

Social Responsibility, Employee Stock Option Plans, Stakeholders' Relationship etc.

- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Meetings of Independent Directors without the presence of any Non-Independent / Executive Directors and members from the management to identify areas, where they need more clarity or information and for open and transparent discussions and placing these before the Board and management.
- Formal induction schedule and familiarisation programme for new Board members that enable them to meet individually with the top management team, customers etc.
- Regularly reviews and establishes effective meeting practices that encourage active participation and contribution from all members.
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities.
- Well-defined corporate structure that establishes checks, balances and delegates decision making to appropriate levels in the organisation though the Board always remains in effective control of affairs.

Bharti Airtel has always followed the highest principles and standards of corporate governance and continually endeavoured to outperform its peers. Bharti Airtel's recent global recognition, among others by Transparency International, FTI Consulting, Asian Centre for Corporate Governance & Sustainability, The Institute of Directors (Golden Peacock Award for Excellence in Corporate Governance) and The Institute of Company Secretaries of India is a grand acknowledgement of the defined and structured framework of Corporate Governance embedded in Bharti Airtel's culture.

### Corporate Governance Rating

CRISIL has assigned to Bharti Airtel its Governance and Value Creation (GVC) rating, viz. CRISIL GVC Level 1 for Corporate Governance practices. The rating indicates that Bharti Airtel's capability, with respect to Corporate Governance and value creation for all its stakeholders, is the highest. The Company is fully cognizant that standards are a constantly upwardly moving target. Therefore, it always strives to benchmark itself with the best companies in India and globally and to maintain the highest ratings for its practices.

### Governance Structure

Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. The Corporate Governance structure of the Company is multi-tiered, comprising governing / management Boards at various levels, each of which is interlinked in the following manner:

- At the apex level is the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgment in overseeing management performance on behalf of the share owners and other stakeholders, and hence, plays a vital role in the oversight

and management of the Company. The Board is chaired by the Chairman, who is responsible for the overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value and Airtel's global image and reputation.

- At one level below the Board, strategic co-ordination and direction is provided by the Airtel Corporate Council (ACC). The ACC is headed by the Chairman and comprises the Managing Directors & CEOs and selected senior management personnel as its members. The key role and responsibilities of the ACC are provided later in this report.
- The Managing Director & CEO (India & South Asia) is responsible for strategy deployment and overall business performance of India and South Asia. He is supported by the Airtel Management Board (AMB). The Company's business in India is structured into six business units (BUs) i.e. Mobile Services, Homes, Airtel Business, Global Voice & Data Business, Wynk and Emerging Businesses and Digital TV Services. While the Mobile Services business is headed by the MD & CEO himself, the other five businesses are headed by respective CEOs. The Company's operations in India are run in 22 Circles, each headed by a Circle CEO or a Chief Operating Officer, each supported by an Executive Committee. The Sri Lankan operations are headed by a Country MD, supported by an Executive Committee.
- The Company's operations in Africa are guided by the Managing Director & CEO (Africa) of Bharti Airtel International (Netherlands) B.V., a subsidiary company. He is responsible for strategy deployment and overall business performance. He is supported by the Africa Executive Committee (Exco). Each of the operations in the 15 countries in Africa are headed by a Country MD, each supported by an Executive Committee.
- The AMB in India and South Asia, and Exco in Africa provide support relating to the Company's business strategy and also derive operational synergies across business units. They own and drive company-wide processes, systems, policies, and also function as role models for leadership development and as catalysts for imbuing customer centricity and meritocracy in the Company.
- Airtel's governance structure thus helps in clearly determining the responsibilities and entrusted powers of each of the business entities, enabling them to fulfill those responsibilities in the most effective manner. It also allows the Company to retain the organisational DNA, while enabling effective delegation of authority and empowerment at all levels.
- Airtel Payments Bank is an unlisted subsidiary in which the Company owns 80.10%, the remaining 19.90% is held by Kotak Mahindra Bank. The Payments Bank's operations are managed by its MD & CEO, under the supervision of an independent Board.
- The Passive Infrastructure business is deployed, owned and managed by Bharti Infratel Limited (Infratel), a listed subsidiary company. Infratel's operations are managed by its Managing Director & CEO under the supervision of an Independent Board. The business transactions between the Company and Infratel are undertaken on an arms' length basis, since it provides services to other telecom operators as well, on a non-discriminatory basis.

## Board of Directors

### Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors, and conforms with the provisions of the Companies Act, 2013, Listing Regulations, FDI guidelines, terms of shareholders' agreement and other statutory provisions. The Board comprises of twelve members which includes a Chairman, a Managing Director & CEO (India & South Asia), four Non-Executive Directors and six Independent Directors.

Detailed profile of each of the Directors is available on the Company's website at [www.airtel.com](http://www.airtel.com) in the 'Investors' section.

The Company's Board members are from diverse backgrounds with skills and experience in critical areas like technology, global finance, telecommunication, entrepreneurship, administrative services, consulting and general management. Many of them have worked extensively in senior management positions in global corporations, and others are business leaders of repute with a deep understanding of the global business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

As per the Company's Policy on Nomination, Remuneration and Board Diversity, selection of a new Board member(s) is the responsibility of the HR and Nomination Committee, which is subsequently approved by the Board. All the appointments are made with unanimous approval. The appointment of such Director is subsequently approved by the shareholders at the Annual General Meeting (AGM). While the shareholders' representative Directors are proposed by the respective shareholders, Independent Directors are selected from diverse academic, professional or technical background depending upon business needs.

### Independent Directors

The Company has a policy on Independent Directors, their roles, responsibilities and duties, are consistent with the Listing Regulations and Section 149 of the Companies Act, 2013. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises importance of independence. As per the policy:

- a) The Independent Director must meet the baseline definition and criteria on 'independence' as set out in the Listing Regulations and Section 149 of the Companies Act, 2013 and other regulations.
- b) The Independent Director must not be disqualified from being appointed as Director in terms of Section 164 and other applicable provisions of the Companies Act, 2013.
- c) The minimum age is 25 years and the maximum is 70 years.
- d) The Independent Directors are not to be on the Board of more than six listed companies. However, pursuant to the Listing Regulations if an Independent Director is serving as a Whole-time Director in any listed company then he shall not serve as an Independent Director in more than three listed companies.
- e) The maximum tenure is two terms of five years each. However, the second term is subject to approval by shareholders by way of special resolution.



The Company has issued letters of appointment to all the Independent Directors. This letter inter-alia sets out the roles, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process. The detailed terms and conditions of the appointment of Independent Directors are available on the Company's website i.e. <http://www.airtel.in/wps/wcm/connect/2ffaf2d2-d542-44e2-a42a-50225c9245f5/Terms-and-Conditions-of-Appointment-of-Independent-Director.pdf?MOD=AJPERES>

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

### Lead Independent Director

The Company has for a long time followed the practice of appointing a Lead Independent Director. Mr. Craig Ehrlich is currently designated as the Lead Independent Director and his role and responsibilities, inter alia, are to:

- Preside over all deliberation sessions of the Independent Directors.
- Provide objective feedback of the Independent Directors as a group to the Board on various matters, including agenda and other matters relating to the Company.
- Undertake such other assignments, as may be requested by the Board from time to time.

### Meeting of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of any Non-Independent Directors or representatives of management. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman. The Lead Independent Director updates the Board about the proceedings of the meeting.

In these meetings, the Independent Directors also engage with Statutory Auditors, as well as Internal Auditors at least once a year, to discuss internal audit effectiveness, control environment and their general feedback. The Lead Independent Director updates the Audit & Risk Management Committee / the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During FY 2016-17, the Independent Directors met four times i.e. on April 27, 2016, July 27, 2016, October 25, 2016 and January 24, 2017.

### Familiarisation programme for Board members

The Company has adopted a well structured two-day induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others, and also includes visit to networks centre to understand the operations and technology. Apart from the induction programme, the Company periodically presents updates at the Board /

Committee meetings to familiarise the Directors with the Company's strategy, business performance, operations, product offerings, finance, risk management framework, human resources and other related matters. The Board members also visit Airtel outlets and meet customers / other stakeholders for gaining first-hand experience about the products and services of the Company.

The Board has an active communication channel with the executive management, which enables Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates, press releases and mid-quarter updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

Detailed familiarisation programme for Directors is available on the Company's website at <http://www.airtel.in/wps/wcm/connect/ea0152dc-a649-40ae-89d9-b3cec142d249/Familiarisation+Programme+for+Board+Members.pdf?MOD=AJPERES&ContentCache=NONE>

### Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the HR and Nomination Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and MD & CEO (India & South Asia).

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors completed the evaluation process, which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and the MD & CEO (India & South Asia). The evaluation process was facilitated by an independent consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters, such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the directors were subject to peer-evaluation.

The Chairman and the MD & CEO (India & South Asia) were evaluated on certain additional parameters, such as performance of the Company, leadership, relationships, communication, recognition and awards received by the Company.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interest of the Company.
- Providing strategic guidance to the Company and help determine important policies with a view to ensure long-term viability and strength.
- Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All the directors participated in the evaluation process. The results of evaluation were discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on May 9, 2017. The Board discussed the performance evaluation reports of the board, board committees, individual directors, Chairman and Managing Directors & CEO (India & South Asia) and also noted the suggestions / inputs of independent directors, HR and Nomination Committee and respective committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

### Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the whole year. The Board Calendar for the financial year 2017-18 has been disclosed later in the report and has also been uploaded on the Company's website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. In case of an urgent necessity, additional Board meetings are called.

The Audit & Risk Management Committee and the HR and Nomination Committee meetings are generally held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meeting's agenda. The detailed agenda, along with explanatory notes and annexures, as applicable are sent to the Board and Committee members, at least a week before the meetings except for the meetings called at a shorter notice. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item'. Sensitive subject matters are discussed at the meeting, without written material being circulated in advance.

As a process prior to each Board meeting, proposals are invited from Independent Directors for discussion / deliberation at the meeting(s) and these are included in the meeting's agenda to promote objective decision making.

The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, Corporate strategy and risk management issues based on the markets it operates in and in light of global industry trends and developments to help achieve its strategic goals.

Group CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

### Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein.
- Quarterly and annual consolidated and standalone results and financial statements of the Company and its operating divisions or business segments.
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulation, and Board minutes of the unlisted subsidiary companies.
- Information on recruitment / remuneration of senior officers just below Board level.
- Material important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue which involves possible public or product liability claims of substantial nature, if any.
- Details of any acquisition, joint venture or collaboration agreement.
- Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- Human resource updates and strategies.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly treasury reports.
- Quarterly compliance certificates with the 'Exceptions Reports', which include non-compliance of any regulatory, statutory nature or listing requirements and shareholders service.
- Disclosures received from Directors.
- Proposals requiring strategic guidance and approval of the Board.
- Related party transactions.
- Regular business updates.
- Update on Corporate Social Responsibility activities.
- Significant transactions and arrangements by subsidiary companies.
- Report on action taken on last Board meeting decisions.

## Number of Board Meetings

During FY 2016-17, the Board met eight times i.e. on April 27, 2016, July 27, 2016, October 25, 2016, January 24, 2017, February 07, 2017, February 23, 2017, March 14, 2017 and March 23, 2017. Requisite information, according to the requirements of Regulation 34 of the Listing Regulations is provided below:

Name of Director	Director Identification Number	Category	Number of other directorships <sup>1</sup> and committee <sup>2</sup> memberships and chairmanships			No. of board meetings attended (total held during tenure)	Whether attended last AGM
			Directorships		Committees		
			Chairman	Member			
Mr. Sunil Bharti Mittal	00042491	Chairman	10	Nil	Nil	8(8)	Yes
Mr. Gopal Vittal	02291778	Executive Director	3	Nil	1	8(8)	Yes
Ms. Chua Sock Koong <sup>3</sup>	00047851	Non-Executive Director	1	Nil	Nil	5(8)	No
Mr. Rakesh Bharti Mittal	00042494	Non-Executive Director	14	Nil	Nil	6(8)	Yes
Sheikh Faisal Thani Al-Thani	06675785	Non-Executive Director	Nil	Nil	Nil	1(8)	No
Ms. Tan Yong Choo	02910529	Non-Executive Director	1	Nil	Nil	8(8)	No
Mr. Ben Verwaayen	06735687	Independent Director	Nil	Nil	Nil	4(8)	No
Mr. Craig Ehrlich	02612082	Independent Director	Nil	Nil	Nil	5(8)	No
Mr. D. K. Mittal	00040000	Independent Director	11	Nil	4	8(8)	Yes
Mr. Manish Kejriwal	00040055	Independent Director	4	Nil	2	4(8)	No
Mr. Shishir Priyadarshi	03459204	Independent Director	1	Nil	Nil	6(8)	No
Mr. V. K. Viswanathan	01782934	Independent Director	9	4	3	8(8)	Yes

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign body corporates and Bharti Airtel Limited.

2. Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies other than Bharti Airtel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.

3. One meeting was attended by Mr. Mark Chong Chin Kok, alternate director.

4. Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are relatives of any other director.

5. As on March 31, 2017, apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 329,885 equity shares, no other Director of the Company holds shares in the Company.

## Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is directed towards rewarding performance based on a periodic review of the achievements periodically.

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure B to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy.

## Directors' Remuneration

The details of the remuneration of Directors during FY 2016-17 are given below:

						(Amount in ₹)
Name of Director	Sitting Fees	Salary and allowances	Performance linked incentive	Perquisites	Commission	Total
<b>Executive directors</b>						
Mr. Sunil Bharti Mittal	--	201,352,623	90,000,000	10,089,485	--	301,442,108
Mr. Gopal Vittal	--	64,605,751	28,250,000	28,800	--	92,884,551
<b>Non-executive directors</b>						
Mr. Rakesh Bharti Mittal	-	--	--	--	3,000,000	3,000,000
Mr. Ben Verwaayen	400,000	--	--	--	15,561,264	15,961,264
Ms. Chua Sock Koong	--	--	--	--	3,890,316	3,890,316
Mr. Craig Ehrlich	500,000	--	--	--	9,725,790	10,225,790
Mr. D. K. Mittal	1,400,000	--	--	--	7,000,000	8,400,000
Mr. Manish Kejriwal	400,000	--	--	--	6,500,000	6,900,000
Ms. Tan Yong Choo	--	--	--	--	3,890,316	3,890,316
Sheikh Faisal Thani Al-Thani	--	--	--	--	3,890,316	3,890,316
Mr. Shishir Priyadarshi	600,000	--	--	--	9,725,790	10,325,790
Mr. V. K. Viswanathan	800,000	--	--	--	8,000,000	8,800,000
<b>Total</b>	<b>4,100,000</b>	<b>265,958,374</b>	<b>118,250,000</b>	<b>10,118,285</b>	<b>71,183,792</b>	<b>469,610,451</b>

- The salary and allowance includes the Company's contribution to the Provident Fund. Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable and, therefore, not included.
- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2016-17 and will get paid basis actual performance parameters in the next year. At 100% performance level, the gross remuneration of Mr. Sunil Bharti Mittal was ₹ 301,442,108 for FY 2016-17 and ₹ 278,546,235 for FY 2015-16 and that of Mr. Gopal Vittal ₹ 92,884,551 for FY 2016-17 and ₹ 62,105,442 for FY 2015-16. During the year, Mr. Sunil Bharti Mittal and Mr. Gopal Vittal were paid ₹ 90,000,000 and ₹ 26,600,000 respectively as PLI for previous year 2015-16, which is not included above.
- During the year, Mr. Gopal Vittal was granted 150,000 stock options on August 08, 2016 under ESOP Scheme 2005 at an exercise price of ₹ 5 per Option, with vesting period spread over 3 years. The above remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 31,131,500 towards the value of Stock Options exercised during the year.  
  
The options can be converted into equity shares either in full or in tranches at any time upto seven years from the grant date. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period.  
  
No other director has been granted any stock option during the year.
- The Company has entered into contracts with the executive directors i.e. Mr. Sunil Bharti Mittal dated August 19, 2016 and with Mr. Gopal Vittal dated February 1, 2013. These are based on the approval of the shareholders. There are no other contracts with any other director.
- No notice period or severance pay is payable to any director.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

## Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter / terms of reference. The constitution and charter of the Board Committees are available on the Company's website [www.airtel.com](http://www.airtel.com) and are also stated herein.

### Audit & Risk Management Committee

Audit & Risk Management Committee comprises four Directors, three of whom are independent. The Chairman of the Committee, Mr. V. K. Viswanathan, Independent Director is a Chartered Accountant and has sound financial knowledge, as well as many years of experience in general management. All members of the Audit & Risk Management Committee, including the Chairman, have accounting and financial

management expertise. The composition of the Audit & Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the Secretary to the Committee. The Managing Director & CEO (India & South Asia), the Managing Director & CEO (Africa), the Global CFO, the Group Director – Internal Assurance, the Statutory Auditors and the Internal Auditors are permanent invitees.

The Chairman of the Committee was present at the last AGM, held on August 19, 2016.

### Key Responsibilities of the Audit & Risk Management Committee

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- Consider and recommend to the Board, the appointment (including filling of a casual vacancy), resignation or



dismissal, remuneration and terms of appointment (including qualification and experience) of the Statutory Auditor, Internal Auditors / Chief Internal Auditor, Cost Auditor and Secretarial Auditor.

- Prior approval of non-audit services that can be provided by the Statutory Auditors and approval of payment of such non-audit services.
- Prior approval of all transactions with related party(ies), subsequent modifications of transactions with related parties and review of the statement of significant related party transactions with specific details of the transactions.
- Discussion with the Statutory Auditor before the commencement of audit about the nature and scope of the audit to be conducted and post-audit discussion to ascertain any areas of concern.
- To call for comments of the Auditors about internal control system, including the observation of the Auditors, review financial statement before their submission to the Board and discussion on any related issues with the Internal and Statutory Auditors and the management of the Company.
- Review, with the Management, the quarterly financial statements before submission to the Board for approval.
- Review, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statement.
  - Disclosure of all related party transactions.
  - Modified opinion(s) in the draft audit report.
- Review the following information:
  - Management Discussion and Analysis of financial condition and results of operations.
  - Management letter / letters of internal control weaknesses issued by the Statutory Auditors.
  - Internal Audit Reports relating to internal control weaknesses.
  - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances.
- Oversee the functioning of the Vigil Mechanism / Whistle Blower Mechanism.
- Establish the systems for storage, retrieval and display of books of accounts and other financial records in electronic format.

- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approve the appointment, re-appointment and removal of Company's Chief Financial Officer after assessing the qualifications, experience and background, among others, of the candidate.
- Review the Company's financial and risk management policies, implementation of treasury policies, strategies and status of investor relation activities.
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between Internal and Statutory Auditors and (where relevant) the risk management department.
- Review the state and adequacy of internal controls with key members of the Management, Statutory Auditors and Internal Auditors.
- Discuss with the Internal Auditor the coverage, functioning, frequency and methodology of internal audits as per the annual audit plan and discuss significant findings and follow up thereon.
- Review & monitor the Statutory and Internal Auditor's independence, performance & effectiveness of audit process.
- Review and scrutinize the inter-corporate loans and investments.
- Monitor and review with the Management, the statement of uses / application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilised for purposes, other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Appointment of a registered valuer of the Company and fixation of their terms and conditions.
- Evaluation of internal financial controls and risk management systems.
- Formulate and review risk management policy.
- Implement, monitor and review the risk management framework, risk management plan and related matters.
- Delegate above said functions to Sub-Committees, whenever required.
- The Audit & Risk Management Committee shall also undertake such other functions, as may be assigned by the Board of Directors from time to time, or as may be stipulated under any law, rule or regulation including the Listing Regulations and the Companies Act, 2013.

#### **Powers of the Audit & Risk Management Committee**

- Investigate any activity within its terms of reference.
- Seek any information that it requires from any employee

of the Company, and all employees are directed to cooperate with any request made by the Committee.

- Obtain outside legal or independent professional advice.
- Secure attendance of outsiders with relevant expertise.
- Access sufficient resources to carry out its duties.

### Meetings, Attendance and Composition of the Audit & Risk Management Committee

During FY 2016-17, the Committee met five times i.e. on April 27, 2016, July 27, 2016, October 25, 2016, January 24, 2017 and February 07, 2017.

Beside the Committee meetings as above, the Committee also holds a conference call before every regular Committee meeting to discuss routine internal audit issues and other matters. This provides an opportunity to the Committee to devote more time on other significant matters in the regular Committee meeting. During FY2016-17, the Committee met six times through the conference call i.e. April 20, 2016, July 20, 2016, October 18, 2016, January 17, 2017, March 03, 2017 and March 14, 2017.

All recommendations made by the Audit & Risk Management Committee were accepted by the Board.

The composition and the attendance of members at the meetings held during FY 2016-17, are given below:

Name	Category	Number of meetings attended (total held during tenure)	Number of conference calls attended (total conducted during tenure )
Mr. V. K. Viswanathan (Chairman)	Independent Director	5 (5)	6 (6)
Mr. Craig Ehrlich	Independent Director	4 (5)	5 (6)
Ms. Tan Yong Choo	Non-Executive Director	5 (5)	6 (6)
Mr. Shishir Priyadarshi <sup>1</sup>	Independent Director	5 (5)	6 (6)
Mr. D. K. Mittal <sup>2</sup>	Independent Director	N.A.	N.A.

1. Ceased to be member of the Committee w.e.f. March 23, 2017.

2. Appointed as a member of the Committee w.e.f. March 23, 2017.

### Audit and Risk Management Committee Report for the year ended March 31, 2017

#### To the Shareholders of Bharti Airtel Limited

The Audit & Risk Management Committee ("Audit Committee" or "Committee") is pleased to present its report for the year ended March 31, 2017:

1. The Committee presently comprises four members of whom three-fourths, including the Chairman are Independent Directors, as against the requirement of two-thirds prescribed under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
2. The responsibility for the Company's internal controls and financial reporting processes lies with the Management. The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the Indian Accounting Standards (Ind-AS) and issuing a report thereon. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism.
3. The Company has in place an Internal Assurance Group (IAG) headed by Group Director – Internal Assurance. The Company has also appointed KPMG, New Delhi, ANB & Co., Chartered Accountants, Mumbai and Arvind Chopra, Group Director – Internal Assurance as Internal Auditors in accordance with Section 138 of the Companies Act, 2013. The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal

Auditors report their findings on an ongoing basis during the year for corrective action.

4. The Audit Committee oversees the work of Statutory Auditors, Internal Auditors, IAG and the Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

#### 5. In this regard, the Audit Committee reports as follows:

- I. The Committee has discussed with the Company's Internal Auditors and Statutory Auditors the overall scope and plan for their respective audits. The Committee has also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.
- II. The Management has presented the Company's financial statements to the Committee and affirmed that the Company's financial statements have been drawn in accordance with Ind-AS. Based on its review and the discussions conducted with the Management and the Statutory Auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also considers that the financial statements are true and fair and provide sufficient information. The Committee believes the Company has followed adequate processes to prepare these financial statements.
- III. The Committee has reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2017. It has recommended the same for the Board's approval.

- IV. The Committee has reviewed the internal controls for ensuring that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material deficiency or weakness in the Company's internal control systems.
- V. The Committee reviewed the Company's internal financial controls and risk management systems from time to time.
- VI. The Committee reviewed the Ombudsperson's report on the functioning of the Whistle Blower Mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Committee believes that the Company has an effective Whistle Blower Mechanism and nobody has been denied access to this mechanism.
- VII. The Committee reviewed with the Management, the independence and performance of outgoing Statutory Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants, whose term is ending on conclusion of ensuing annual general meeting (AGM) of the Company. The Committee has also evaluated the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as the new Statutory Auditors of the Company in place of the retiring auditors, S.R. Batliboi & Associates LLP, and has recommended to the Board, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as the Company's Statutory Auditors for a term of five years w.e.f. conclusion of ensuing AGM subject to ratification by members in each AGM.
- VIII. The Committee, along with the Management, reviewed the performance of the Internal Auditors viz. KPMG, New Delhi, ANB & Co., Chartered Accountants, Mumbai during the financial year 2016-17. The Committee has also reviewed the eligibility and independence of ANB & Co. and has recommended to the Board the re-appointment of ANB & Co., Chartered Accountants, Mumbai, as the internal auditors of the Company for the financial year 2017-18. The Committee has also reviewed the eligibility of Ernst & Young LLP and has recommended to the Board, their appointment as joint internal auditors of the Company w.e.f. conclusion of ensuing annual general meeting of the Company.
- IX. The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.
- X. The Audit & Risk Management Committee monitored and approved all related party transactions, including any modification / amendment in any such transactions.

In conclusion, the Audit Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit & Risk Management Committee's Charter.

Place: New Delhi

Date: May 09, 2017

**V. K. Viswanathan**  
Chairman, Audit & Risk  
Management Committee

## HR and Nomination Committee

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman of the Committee are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as the Secretary of the Committee. The Global Chief HR Officer is a permanent invitee to the Committee meetings. Other Senior Management members are also invited to the meeting to present reports relating to items being discussed at the meeting.

### Key Responsibilities of the HR and Nomination Committee

#### HR Related

- Formulation and recommendation to the Board, of a policy relating to remuneration of Directors, Key Managerial Personnel\* and other employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and performance targets of the Chairman and of the Managing Directors & CEO's.
- In the event of no profit or inadequate profit, to approve the remuneration payable to managerial persons, taking into account the Company's financial position, industry trend, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package, while striking a balance between the Company's interest and shareholders.
- Attraction and retention strategies for employees.
- Review employee development strategies.
- Assess the learning and development needs of the Directors and recommend learning opportunities, which can be used by Directors to meet their needs for development.
- Review all human resource related issues, including succession plan of key personnel.
- The Committee shall also consider any other key issues / matters as may be referred by the Board, or as may be necessary in view of Regulation 19 of the Listing Regulations or any other statutory provisions.

#### ESOP Related

- Formulation of ESOP plans and decide on future grants.
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
  - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan.
  - Performance conditions attached to any ESOP Plan.
  - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
  - Exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
  - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee.

- Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions.
- Grant, vest and exercise of option in case of employees, who are on long leave, and the procedure for cashless exercise of options.
- Any other matter which may be relevant for administration of ESOP schemes from time to time.
- To frame suitable policies and processes to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Other key issues as may be referred by the Board.

#### Nomination Related

- Formulate the criteria / policy for appointment of Directors, Senior Management\*\*, which shall, inter-alia, include qualifications, positive attributes, diversity and independence of a Director.
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for a particular appointment.
- Identify and recommend to the Board, persons who are qualified to become Directors and who may be appointed in Senior Management, including Key Managerial Personnel, in accordance with the criteria laid down and their removal thereof.
- Recommend the appointment of any Director to executive or other employment / place of profit in the Company.
- Review succession planning for Executive and Non-Executive Directors and other Senior Executives, particularly the Chairman, Managing Directors & CEOs.
- Recommend suitable candidate for the role of Lead Independent Director.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director.
- Review the Terms of Reference of all committees of the Board, including itself on an annual basis, and recommend any changes to the Board.

\* Key Managerial Personnel' means: i) the Chief Executive Officer or the Managing Director or the Manager; ii) the Company Secretary; iii) the Whole - time Director; iv) the Chief Financial Officer.

\*\* 'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the Management one level below the Executive Directors, including the functional heads.

#### Meetings, Attendance and Composition of HR and Nomination Committee

During FY 2016-17, the Committee met four times i.e. on April 27, 2016, July 27, 2016, October 25, 2016 and January 24, 2017.

The composition and the attendance of members at the meetings held during FY 2016-17, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Ben Verwaayen, Chairman	Independent Director	3 (4)
Ms. Chua Sock Koong*	Non-Executive Director	3 (4)
Mr. Manish Kejriwal	Independent Director	3 (4)
Mr. D. K. Mittal <sup>1</sup>	Independent Director	4 (4)
Mr. Rakesh Bharti Mittal	Non-Executive Director	3 (4)
Mr. Shishir Priyadarshi <sup>2</sup>	Independent Director	N.A.

<sup>1</sup> Ceased to be member of the Committee w.e.f. March 23, 2017.

<sup>2</sup> Appointed as a member of the Committee w.e.f. March 23, 2017.

\* One meeting attended by Mark Chong Chin Kok, alternate director.

The details relating to remuneration of Directors, as required under Listing Regulations have been given under a separate section, viz. 'Directors Remuneration' in this Report.

#### Stakeholders' Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations, and the provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

#### Key Responsibilities of the Stakeholders' Relationship Committee

The key responsibilities of the Stakeholders' Relationship Committee include the following:

- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- Consider and resolve the complaints / grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.
- Dematerialise or re-materialise the share certificates.
- Approve the transmission of shares or other securities arising as a result of death of the sole / any of joint shareholder.
- Sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company.
- Issue duplicate share / other security(ies) certificate(s) in lieu of the original share / security(ies) certificate(s) of the Company.



- Approve, register and refuse to register transfer / transmission of shares and other securities.
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- Oversee & review, all matters connected with the transfer of securities of the Company.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- Recommend methods to upgrade the standard of services to the investors.
- To deal with the Company's unclaimed / undelivered shares, as prescribed in the relevant Regulation of the Listing Regulations.
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

### Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2016-17, the Committee met ten times i.e. on April 27, 2016, June 14, 2016, July 27, 2016, September 23, 2016, October 25, 2016, December 06, 2016, January 10, 2017, January 24, 2017, February 07, 2017 and March 14, 2017. The composition and the attendance of members at the meetings held during FY 2016-17, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	9 (10)
Mr. Manish Kejriwal	Independent Director	3 (10)
Mr. Gopal Vittal	Executive Director	10 (10)
Mr. D. K. Mittal	Independent Director	9 (10)

### Compliance Officer

Mr. Rajendra Chopra, Sr. Vice President & Company Secretary, acted as the Compliance Officer of the Company upto January 24, 2017. He was responsible for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board in its meeting held on January 24, 2017, has appointed Mr. Rohit Krishan Puri as the Deputy Company Secretary and Compliance Officer of the Company w.e.f. January 25, 2017 for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Nature of Complaints and Redressal Status

During FY 2016-17, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares, annual reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investors' complaints received during FY 2016-2017 are as follows:

Type of complaint	Received	Redressed	Pending on March 31, 2017
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	2	2	Nil
Non-receipt of dividend / dividend warrants	0	0	Nil
Miscellaneous	1	1	Nil
<b>Total</b>	<b>3</b>	<b>3</b>	<b>Nil</b>

### Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deemed necessary to cater to the day to day requirements of the Company.

The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

### Meetings, Attendance and Composition of Committee of Directors

During FY 2016-17, the Committee met six times i.e. on April 27, 2016, July 27, 2016, October 25, 2016, January 24, 2017, February 23, 2017 and March 14, 2017. The composition and the attendance of members at the meetings held during FY 2016-17, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	4 (6)
Mr. D. K. Mittal	Independent Director	6 (6)
Mr. Manish Kejriwal	Independent Director	3 (6)
Mr. Gopal Vittal	Executive Director	6 (6)

### Key Responsibilities of the Committee of Directors (within the limit approved by the Board)

#### Investment Related

- To grant loans to any body corporate / entity.
- To give guarantee(s) in connection with loan made to any body corporate / entity.
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and / or guarantee(s) from time to time.
- To purchase, sell, acquire, subscribe, transfer or otherwise deal in the shares / securities of any Company, body corporate or other entities.

### Treasury Related

- To borrow such sum of money, as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under Section 180 of the Companies Act, 2013 i.e. upto the paid up capital and free reserve of the Company.
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company.
- To deal in government securities, units of mutual funds, fixed income and money market instruments, fixed deposits and certificate of deposit programme of banks and other instruments / securities / treasury products of banks & financial institutions as per treasury policy of the Company.
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rate swaps.
- To open, operate, close, change in authorisation for any Bank Account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account.
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities, including borrowing / credit facilities, creation of charge.

### Allotment of Shares

- Issue and allot shares of the Company in one or more tranches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company.
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects.
- To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.

### General Authorisations

- To open, shift, merge, close any branch office, circle office.
- To approve for participation into any tender, bid, auction by the Company.
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies.
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property.
- To apply for and surrender any electricity, power or water connection.
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company.
- To constitute, reconstitute, modify, dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives.

- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
  - represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity.
  - negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers.
  - affix common seal of the Company.
  - enter into, sign, execute and deliver all contracts for and on behalf of the Company.
- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of the Company or which has specifically been delegated by the Board to any other Committee of the Board or any officer, employee or agent of the Company.
- To perform such other functions as may be authorised / delegated by the Board or as might have been authorised / delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee.
- To authorise / delegate any or all of its power to any person, officer, representative.

### Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

The Board in its meeting held on October 25, 2016, had constituted a committee known as the Special Committee of Directors to evaluate the proposal for monetization of stake in Bharti Infratel Limited. The Committee meets as and when necessary to explore divestment in Bharti Infratel Limited.

The Committee comprises three members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

### Meetings, Attendance and Composition of Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

During FY 2016-17, the Committee met one time i.e. on November 21, 2016. The composition and the attendance of members at the meetings held during the FY 2016-17, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	1 (1)
Ms. Chua Sock Koong	Non-Executive Director	1 (1)
Mr. D. K. Mittal	Independent Director	1 (1)

### Key Responsibilities of the Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

- To engage and negotiate with the prospective buyers including in relation to the terms of sale provided that the terms shall be subject to the approval of the board of directors and no agreements shall be approved and or executed except after the approval of the board of directors.
- To appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit.
- To represent the Company before any prospective buyer and any regulatory and / or statutory authorities and departments.
- To delegate all or any of the authorisations conferred as above to any Officer(s) / Authorized Representative(s) of the Company.
- To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper in furtherance of the above.

### Special Committee of Directors (Restructuring of overseas holding structure)

The Board in its meeting held on January 24, 2017, had constituted a committee known as the Special Committee of Directors to evaluate the proposal for restructuring of overseas holding structure of the Company. The Committee meets as and when necessary.

The Committee comprises three members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary / Deputy Company Secretary acts as a Secretary to the Committee.

### Meetings, Attendance and Composition of Special Committee of Directors (Restructuring of overseas holding structure)

During FY 2016-17, the Committee met two times i.e. on February 07, 2017 and March 14, 2017. The composition and the attendance of members at the meetings held during the FY 2016 -17, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	2 (2)
Ms. Tan Yong Choo	Non-Executive Director	2 (2)
Mr. V. K. Viswanathan	Independent Director	2 (2)

### Key Responsibilities of the Special Committee of Directors (Restructuring of overseas holding structure)

- To evaluate the proposal for restructuring of overseas holding structure.
- To appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit.
- To represent the Company before any regulatory and / or statutory authorities and departments.

- To delegate all or any of the authorisations conferred as above to any Officer(s) / Authorized Representative(s) of the Company.

- To do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in furtherance of the above.

### Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommends the CSR proposals to the Board for approval.

The Committee comprises three members including one Independent Director. Mr. Rakesh Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

### Key Responsibilities of the CSR Committee

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters including any annual social responsibility report.
- Review the following, with the Management, before submission to the Board for approval
  - The Business Responsibility (BR) Report
  - CSR Report
  - Annual Sustainability Report
- Formulate and implement the BR policies in consultation with the respective stakeholders.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent by Bharti Foundation, or any other charitable organisation to which the Company makes contributions, for the intended purposes only.
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility.
- Nominate atleast one member of the CSR Committee as a trustee of Bharti Foundation.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations, Corporate Social Responsibility Voluntary Guidelines, 2009 and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had on April 29, 2014, approved the Corporate Social Responsibility (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is available on the Company's website at [www.airtel.com](http://www.airtel.com).

### Meetings, Attendance and Composition of CSR Committee

During FY 2016-17, the Committee met four times i.e. on April 27, 2016, August 19, 2016, October 25, 2016 and March 14, 2017. The composition and the attendance of

members at the meetings held during the FY 2016 -17, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	4 (4)
Mr. D. K. Mittal	Independent Director	4 (4)
Mr. Gopal Vittal	Executive Director	3 (4)

### Corporate Social Responsibility Report for the year ended March 31, 2017

The CSR Report for the year ended March 31, 2017 is annexed as Annexure D to the Board's Report.

### Airtel Corporate Council (ACC)

Airtel Corporate Council is a non-statutory committee, constituted by the Board for strategic management and supervision of the Company's operations within the approved framework.

The Committee comprises six members. Mr. Sunil Bharti Mittal, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

### Key Responsibilities of the ACC Committee

- Strategic Management and supervision of Company's business; CEO Board Report.
- Formulation of Company's annual business plan including objectives and strategies, capex, and investments. Approval of the variation in the Approved Annual Operating Plan up to 5% negative deviation.
- Formulation of organisation policies, systems and processes, concerning the Company's operations.
- Review and recommend for approval of all items / proposals relating to restructuring, new line of business, investments, General Reserved Matters (as referred in

Article 125 (ii) of Articles of Association of the Company) and other matters, which require the Board's approval in relation to the Company and its subsidiaries in India, Africa and SA, as a shareholder.

- Acquisition, disposal, transfer of any immovable property of value exceeding any amount in excess of the duly approved respective DoA's.
- Formation, modification, withdrawal, implementation of systems, policies, control manuals and other policy frameworks for operational efficiency and risk management. The Committee to agree in advance the specific key operational efficiency / risk management matters that business must present at each meeting.
- Approval for contribution to any political party / political trust within the overall limit set by the Board.
- Business Development transaction related updates/next steps.
- Financial Restructuring / Treasury Strategy.
- Review and approval of all strategic consulting assignments.
- Change of Company's brand name, logo, and trade mark. All brand launches (new or rebranding to be presented to ACC, prior to formally committing material expenditure).

### Powers of ACC in respect of the Subsidiaries and their step down Subsidiaries (Other than listed subsidiaries)

- Formulation of business plan, including any strategic initiative, investments, capex, borrowing including refinancing and extension, among others.
- Nomination of the respective subsidiaries nominee on Board of other companies.
- Entry into / exit from business / major business activities, in any manner whatsoever, including purchase, sale, lease, franchise, among others.

With respect to overseas subsidiaries and their step down subsidiaries, the power of ACC is confined to performing key shareholder functions.

### General Body Meetings

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Location	Date	Time	Special Resolution passed
2015-2016	Air Force Auditorium, Subroto Park, New Delhi-110010	August 19, 2016	1530 Hrs. (IST)	The following special resolutions were passed in the AGM: 1. Adoption of new set of the Articles of Association of the Company. 2. Alteration in the Memorandum of Association of the Company
2014-2015		August 21, 2015	1530 Hrs. (IST)	No Special Resolution was passed in the AGM
2013-2014		September 1, 2014	1530 Hrs. (IST)	

### Postal Ballot

The Company passed the following Special Resolutions through postal ballot / e-voting on Tuesday, March 14, 2017:

- Issue of unsecured / secured redeemable Non-Convertible Debentures / Bonds by way of Private Placement.

- Transfer of the Company's investment in its wholly-owned subsidiary, Bharti Airtel International (Mauritius) Limited ("BAIM"), Mauritius to Network i2i Limited, Mauritius, another wholly-owned subsidiary.



### Person conducting the Postal Ballot Exercise

Mr. Gopal Vittal, Managing Director & CEO (India & South Asia), Mr. Mukesh Bhavnani, Group General Counsel and Mr. Rohit Krishan Puri, Deputy Company Secretary were appointed as persons responsible for the entire postal ballot/ e-voting process. Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) was appointed as the Scrutiniser for conducting the postal ballot / e-voting process in a fair and transparent manner. Mr. Sanjay Grover, Practicing Company Secretary conducted the process and submitted the report to the Company.

### Procedure Followed

1. In compliance with the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) for the purpose of providing e-voting facility. The members had the option to vote either by physical ballot or e-voting.
2. The Company dispatched the postal ballot notice dated February 07, 2017 containing draft resolutions together with the explanatory statements, the postal ballot forms and self-addressed envelopes to the members whose

names appeared in the register of members / list of beneficiaries as on cut-off date i.e. Tuesday, February 07, 2017. The Company also published a notice in the newspaper declaring the details of completion of dispatch on February 11, 2017 and other requirements as mandated under the Act and applicable rules.

3. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutiniser on or before the close of business hours on Tuesday, March 14, 2017. The members who opted for the e-voting could vote from 09:00 a.m. on Monday, February 13, 2017 to 05:00 p.m. on Tuesday, March 14, 2017.
4. The Scrutinizer submitted his report on Thursday, March 16, 2017, after the completion of scrutiny.
5. The results of the postal ballot were announced on Thursday, March 16, 2017. The last date specified for receipt of duly completed Postal Ballot Forms and closure of e-voting i.e. Tuesday, March 14, 2017, was taken as the date of passing of the resolution.
6. The results of the postal ballot along with the scrutinizer's report were displayed at the registered office and corporate office of the Company and hosted at the Company's website at [www.airtel.com](http://www.airtel.com) and on the website of Karvy i.e. <https://evoting.karvy.com> and were communicated to the Stock Exchanges where the Company's shares are listed.

### Details of the voting pattern

#### Details of the voting pattern in respect of the Special Resolutions are as under:

Details of Agenda	No. of valid votes	Votes cast in favor of the resolution (no. & % age)	Votes cast against the resolution (no. & %age)
Issue of unsecured / secured redeemable Non-Convertible Debentures / Bonds by way of Private Placement.	351,74,43,164	351,74,35,087 (99.9998%)	8,077 (0.0002%)
Transfer of the Company's investment in its wholly-owned subsidiary, Bharti Airtel International (Mauritius) Limited ("BAIM"), Mauritius to Network i2i Limited, Mauritius, another Wholly-Owned Subsidiary.	351,74,41,843	351,74,32,390 (99.9997%)	9,453 (0.0003%)

There is no immediate proposal for passing any special resolution through Postal Ballot on or before ensuing Annual General Meeting.

### Code of Conduct

In compliance with Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website [www.airtel.com](http://www.airtel.com). The Code is applicable to all Board members and Senior Management personnel who directly report to the Chairman, the Managing Director & CEO (India & South Asia). The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO (India & South Asia), regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2017, is annexed as Annexure A to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually. Regular training programmes / self-certifications are conducted across locations to explain and reiterate the importance of adherence to the code.

### Disclosures and Policies

#### Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 32 of the Standalone Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit & Risk Management Committee and the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and all such transactions are on an arm's length basis.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at <http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BAL-Policy-on-Related-Party-Transactions.pdf?MOD=AJPERES>.

### Disclosure on Risk Management

The Company has established an enterprise-wide risk management (ERM) framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and reviewed by the Audit & Risk Management Committee at regular intervals. In compliance with Regulation 17 and 21 of the Listing Regulations, the Board of Directors has formulated a Risk Management Policy for framing, implementing and monitoring the risk management plan for the Company.

The Board is periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Detailed update on risk management framework has been covered under the risk section, forming a part of the Management Discussion and Analysis.

### Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a code on insider trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

### Ombudsperson Policy / Whistle Blower Policy

Bharti Airtel has adopted an Ombudsperson Policy (includes Whistle Blower Policy). It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimisation. The Policy also allows for anonymous reporting of complaints. The Ombudsperson administers the entire formal process from reviewing and investigating concerns raised, undertaking all appropriate actions for resolution thereof and regular monitoring of ombuds process to strengthen its effectiveness and adequacy. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit & Risk Management Committee. All employees of the Company as well as vendors / partners and any person that has a grievance (excluding standard customer complaints) has full access to the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Audit & Risk Management Committee.

### Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as [Annexure I](#) to the Board's Report.

### CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO of the Company was placed before the Board. The same is provided as [Annexure B](#) to this report.

### Subsidiary Companies

The Company monitors performance of subsidiary Companies, inter-alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Audit & Risk Management Committee.
- Minutes of the Board Meetings of unlisted subsidiary companies are regularly placed before the Board.
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Board.

Bharti Infratel Limited, the Company's material Indian subsidiary, is listed on Stock Exchanges and therefore, the Company is not required to nominate a Director on the Board of Bharti Infratel Limited.

The Board of Directors has formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at <http://www.airtel.in/wps/wcm/connect/7e99add6-9401-4ab3-899a-07572390a956/BAL-Policy-for-determining-Material-Subsidiaries.pdf?MOD=AJPERES>.

### Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from S.R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, the Company's Statutory Auditors and the same is attached to the Board's Report.

## Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements of Regulation 27(1) of the Listing Regulations:

### (i) Shareholders' Rights

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to Stock Exchanges within 30 minutes (under Regulation 30 of the Listing Regulations) of the approval of the results. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website [www.airtel.com](http://www.airtel.com).

On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts posted on the website. In addition, discussion with the management team is webcast and also aired on the electronic media.

### (ii) Audit Qualifications

Company's financial statements are unqualified.

### (iii) Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

### (iv) Reporting of Internal Auditor

The Internal Auditors directly reports to the Audit & Risk Management Committee.

## Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence / communications through email to those shareholders who have registered their email id with their depository participant's / Company's registrar and share transfer agent. In case the shareholders desire to receive a printed copy of such communications, they send a requisition to the Company. The Company forthwith sends a printed copy of the communication to the shareholder.

## Status of Dividend Declared

Status of the dividend declared by the Company for the last seven years is as under

Financial Year	Rate of Dividend per equity share of ₹ 5 each	Total Pay-out	Amount in ₹ Million	
			Amount Paid to the shareholders	Amount un-paid to the shareholders
2015-16	₹ 1.36	5,436.46	5,435.80 (99.99%)	0.67 (0.01%)
2014-15	₹ 2.22	8,874.23	8,873.35 (99.99%)	0.88 (0.01%)
2014-15(Interim Dividend)	₹ 1.63	6,515.76	6,505.77 (99.85%)	9.99 (0.15%)
2013-14	₹ 1.80	7,195.32	7,184.27 (99.85%)	11.05 (0.15%)
2012-13	₹ 1	3,797.53	3,791.06 (99.83%)	6.47 (0.17%)
2011-12	₹ 1	3,797.53	3,790.80 (99.82%)	6.73 (0.18%)
2010-11	₹ 1	3,797.53	3,791.15 (99.83%)	6.38 (0.17%)
2009-10	₹ 1	3,797.53	3,790.10 (99.80%)	7.43 (0.20%)

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

## Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details of the equity shares lying in the suspense accounts, which were issued in physical form, are as follows:

Particulars	Number of Shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 01, 2016.	8	21
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	1	2
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	7	19

The voting rights on the shares in the suspense account as on March 31, 2017 shall remain frozen till the rightful owners of such shares claim the shares.

## Means of Communication

**Quarterly Results:** The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website [www.airtel.com](http://www.airtel.com).

**News releases, presentations:** Official news releases and official media releases are sent to Stock Exchanges and uploaded on the Company's website [www.airtel.com](http://www.airtel.com).

**Earning Calls & Presentations to Institutional Investors / Analysts:** The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript of the earnings call is posted on the website soon after. Any specific presentation made to the analysts / others is also uploaded on the Company's website [www.airtel.com](http://www.airtel.com).

**NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre:** The NEAPS/ BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings, like shareholding pattern, Corporate Governance Report, media releases and other material information is also filed electronically on the designated portals.

**Website:** Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website [www.airtel.com](http://www.airtel.com).

**Shareholders Satisfaction Survey:** In our constant endeavour to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is conducted through a Shareholders Feedback Form uploaded on the Company's website [www.airtel.com](http://www.airtel.com) under 'Investors' section. Accordingly, members may provide their valuable feedback.

Since the time of listing of shares, Bharti Airtel adopted a practise of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights,

non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

## General Shareholders' Information

### 22<sup>nd</sup> Annual General Meeting

Date	July 24, 2017
Day	Monday
Time	3.30 p.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010

## Financial Calendar

### (Tentative Schedule, subject to change)

Financial year	April 1 to March 31
Results for the quarter ending:	
June 30, 2017	July 25, 2017, (Tuesday)
September 30, 2017	October 31, 2017, (Tuesday)
December 31, 2017	January 24, 2018, (Wednesday)
March 31, 2018	April 24, 2018 (Tuesday)

## Book Closure

Saturday, July 15, 2017 to Monday, July 24, 2017 (both days inclusive).

## Dividend

₹ 1.00 per equity share of ₹ 5/- each (i.e. 20.00% on the face value of the shares).

## Dividend Pay-out Date

On or after July 24, 2017 (within the statutory time limit of 30 days i.e. up to August 23, 2017), subject to the approval of the shareholders.

## Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2017-18
<b>National Stock Exchange of India Limited</b> Exchange Plaza 'C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BHARTIARTL	Paid
<b>The BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	532454	Paid

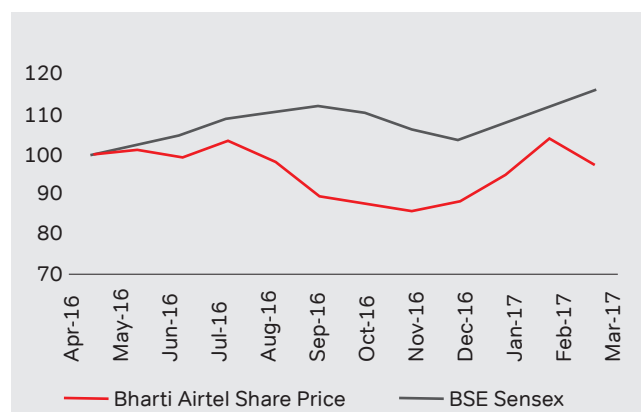
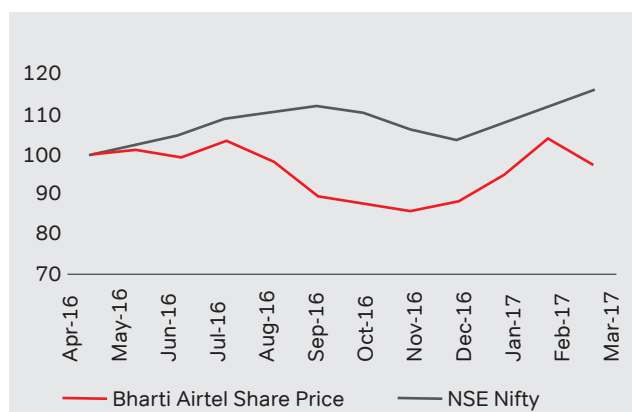
## Stock Market Data for the Period April 1, 2016 to March 31, 2017

Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2016	384.90	325.70	3,495,441	385.00	325.60	67,669,447
May 2016	377.55	339.00	5,560,316	377.45	339.30	79,289,980
June 2016	369.30	337.25	3,234,013	370.00	337.35	59,786,999
July 2016	383.40	353.20	13,306,457	381.80	353.00	48,144,065
August 2016	370.80	329.00	4,291,126	371.50	328.75	62,978,688
September 2016	332.15	302.00	12,714,097	332.35	301.50	106,956,066
October 2016	326.20	296.60	2,905,050	326.15	296.25	56,378,642
November 2016	326.80	283.95	3,300,189	326.80	283.05	59,718,486
December 2016	337.05	289.25	2,728,128	337.45	288.70	56,092,264
January 2017	370.00	299.55	4,547,940	369.95	299.15	90,087,311
February 2017	400.65	340.80	6,831,542	401.00	340.15	116,190,434
March 2017	369.45	325.50	24,405,352	369.80	325.80	89,901,529

Source: [www.bseindia.com](http://www.bseindia.com)

Source: [www.nseindia.com](http://www.nseindia.com)



**Bharti Airtel Share Prices Vs. BSE Sensex****Bharti Airtel Share Price Vs. NSE Nifty****Registrar and Transfer Agent**

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent at the address mentioned in the communication addresses section.

**Share Transfer System**

As much as 99.86% of the Company's equity shares are in electronic format. These shares can be transferred through the depositories without the Company's involvement.

Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are

complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company, for approval. The Transfer Agent has been authorised to transfer minor shareholding up to 50 shares per instrument without the Company's involvement.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

**Distribution of Shareholding****By number of shares held as on March 31, 2017**

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 - 5000	207,816	97.92	17,415,013	0.44%
2	5001 - 10000	1,923	0.90	2,927,390	0.07%
3	10001 - 20000	868	0.41	2,543,415	0.06%
4	20001 - 30000	305	0.14	1,529,024	0.04%
5	30001 - 40000	167	0.08	1,192,169	0.03%
6	40001 - 50000	104	0.05	959,745	0.02%
7	50001 - 100000	206	0.10	2,970,484	0.07%
8	100001 - above	852	0.40	3,967,862,862	99.27%
<b>Total</b>		<b>212,241</b>	<b>100 %</b>	<b>3,997,400,102</b>	<b>100 %</b>

### By category of holders as on March 31, 2017

Sl. no.	Category	No. of share	%age of holding
<b>I</b>	<b>Promoter and Promoter Group</b>		
(i)	Indian promoters	1,817,987,269	45.48
(ii)	Foreign promoters	865,673,286	21.66
	<b>Total Promoters shareholding</b>	<b>2,683,660,555</b>	<b>67.14</b>
<b>II</b>	<b>Public Shareholding</b>		
	<b>(A) Institutional Investors</b>		
(i)	Mutual Funds and Unit Trust of India	128,431,707	3.21
(ii)	Financial institutions and Banks	2,141,271	0.05
(iii)	Insurance companies	315,420,470	7.89
(iv)	Foreign Institutional Investors	84,369,720	2.11
(v)	Others - Foreign Portfolio Investors	523,856,355	13.10
	<b>(B) Others</b>		
(i)	Bodies Corporate (Indian)	8,166,050	0.20
(ii)	Bodies Corporate (Foreign)	203,177,716	5.08
(iii)	Trusts	6,598,342	0.17
(iv)	NRIs / OCBs / Foreign Nationals / QFI	1,857,260	0.05
(v)	Resident Individuals	28,467,769	0.71
(vi)	Indian Public & Others	11,252,887	0.28
	<b>Total Public Shareholding</b>	<b>1,313,739,547</b>	<b>32.86</b>
	<b>Total Shareholding</b>	<b>3,997,400,102</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE397D01024.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

### Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments as on date.

### Disclosure of commodity price risks and commodity hedging activities

The Company follows prudent Board approved risk management policies. A detailed note on commodity price risks and commodity hedging activities is given in Management Discussion and Analysis forming part of Annual Report.

### Plant Locations

Being a service provider company, Bharti Airtel has no plant locations. The Company's Circle Office addresses are provided at the end of the Annual Report.

### Communication Addresses

	Category	Email	Address
For Corporate Governance and other Secretarial related matters	<b>Mr. Rohit Krishan Puri</b> Deputy Company Secretary	<a href="mailto:compliance.officer@bharti.in">compliance.officer@bharti.in</a>	Bharti Airtel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070
For queries relating to Financial Statements	<b>Mr. Parag Toley</b> Head - Investor Relations	<a href="mailto:ir@bharti.in">ir@bharti.in</a>	Telephone no. +91 11 46666100 Fax no. +91 11 46666137 Website: <a href="http://www.airtel.com">www.airtel.com</a>
For Corporate Communication related matters	<b>Mr. Raza Khan</b> Head - Group Corporate Communications	<a href="mailto:corporate.communications@bharti.in">corporate.communications@bharti.in</a>	
Registrar & Transfer Agent	<b>Karvy Computershare Pvt. Ltd.</b>	<a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>	Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, , Hyderabad – 500032 Ph No. 040-67162222 Fax No. 040-23001153 Website <a href="http://www.karvy.com">www.karvy.com</a>

**Annexure A****Declaration**

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2017, a confirmation that they are in compliance with the Company's Code of Conduct.

Date: May 09, 2017  
Place: New Delhi

For **Bharti Airtel Limited**  
**Gopal Vittal**  
Managing Director & CEO (India & South Asia)

**Annexure B****Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification**

We, Gopal Vittal, Managing Director & CEO (India & South Asia) and Nilanjan Roy, Global Chief Financial Officer of Bharti Airtel Limited, to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit & Risk Management Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi  
Date: May 09, 2017

**Nilanjan Roy**  
Global Chief Financial Officer

**Gopal Vittal**  
Managing Director & CEO  
(India & South Asia)

## Standalone Financial Statements (Ind AS)

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# Independent Auditor's Report

## To the Members of Bharti Airtel Limited

### Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of Bharti Airtel Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2017, the standalone Statement of Profit and Loss including other comprehensive income, the standalone Cash Flow Statement and standalone Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, these standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive loss and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 22(i)(f)(v) to the standalone Ind AS financial statements which describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive

# Independent Auditor's Report

Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, these standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs.;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report dated May 9, 2017 in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer 19 to the standalone Ind AS financial statements;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 9 to the standalone Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. The Company has provided requisite disclosures in Note 15 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

**For S. R. Batliboi & Associates LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No: 101049W / E300004**

**per Nilangshu Katriar**  
Partner  
Membership No: 58814

Place: New Delhi  
Date: May 9, 2017

# Independent Auditor's Report

## Annexure 1

### Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

#### Re: [BHARTI AIRTEL LIMITED] ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.
- (b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the planned programme during the year, a substantial portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noted on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory (other than inventory with third parties) at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership firm or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the

provision of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the service of telecommunication and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material undisputed statutory dues were outstanding, as at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of Statutes	Nature of the Dues	Amount Disputed (In ₹ Mn)	Period to Which It Relates	Forum where The Dispute Is Pending
Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	87	2004-13	Tribunal
Bihar Value Added Tax Act, 2005	Sales Tax	58	2005-10	Tribunal
Bihar Value Added Tax Act, 2005	Sales Tax	0	2015-16	Assistant Commissioner
Bihar Value Added Tax Act, 2005	Sales Tax	82	2010-15	Joint Commissioner, Appeal
Bihar Value Added Tax Act, 2005	Sales Tax	2	2006-07	Commercial Tax Officer
Bihar Value Added Tax Act, 2005	Sales Tax	1	2016-17	Deputy Commissioner
Chhattisgarh Value Added Tax Act, 2003	Sales Tax	0	2005-07	Assistant Commissioner
Gujarat Value Added Tax Act, 2003	Sales Tax	1	2005-07	Assistant Commissioner
J&K General Sales Tax	Sales Tax	34	2004-07	High Court, Jammu & Kashmir
Karnataka VAT Act, 2003	Sales Tax	291	2005-06	Assistant Commissioner
Karnataka VAT Act, 2003	Sales Tax	2	2016-17	Joint Commissioner
Kerala Sales Tax Act	Sales Tax	1	2002-05	Tribunal
Kerala Sales Tax Act	Sales Tax	0	2005-11	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	16	2005-10	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0	2008-10	Intelligence Officer Squad
Kerala Value Added Tax Act, 2003	Sales Tax	71	2006-07	High Court of Kerala

# Independent Auditor's Report

Name of Statutes	Nature of the Dues	Amount Disputed (In ₹ Mn)	Period to Which It Relates	Forum where The Dispute Is Pending
Kerala Value Added Tax Act, 2003	Sales Tax	44	2007-12	Asst. Commissioner, Spl Circle III, Ernakulam
Kerala Value Added Tax Act, 2003	Sales Tax	0	2016-17	Intelligence Officer, Ernakulam
Kerala Value Added Tax Act, 2003	Sales Tax	0	2015-16	Intelligence Inspector, Squad No. I, Tellichery
Kerala Value Added Tax Act, 2003	Sales Tax	0	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
Kerala Value Added Tax Act, 2003	Sales Tax	1	2005-17	Commercial tax Officer
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	24	2006-13	Tribunal
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	1	2008-10	Deputy Commissioner
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	0	2004-08	Commercial Tax Officer
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Joint Commissioner, Appeal
Punjab Value Added Tax Act, 2005	Sales Tax	30	2003-04	High Court
Punjab Value Added Tax Act, 2005	Sales Tax	1	2008-10	Tribunal
Punjab Value Added Tax Act, 2005	Sales Tax	1	2002-03	Jt. Director( Enforcement)
Punjab Value Added Tax Act, 2005	Sales Tax	1	2009-16	Deputy Excise and Taxation Commissioner
UP Value Added Tax Act	Sales Tax	6	2008-10	High court
UP Value Added Tax Act	Sales Tax	21	2002-05	Assistant Commissioner
UP Value Added Tax Act	Sales Tax	9	2005-10	Tribunal
UP Value Added Tax Act	Sales Tax	1	2007-08	Joint Commissioner
UP Value Added Tax Act	Sales Tax	2	2003-10	Joint Commissioner, Appeal
UP Value Added Tax Act	Sales Tax	2	2014-16	Additional Commissioner
UP Value Added Tax Act	Sales Tax	9	2003-17	Deputy Commissioner
UP Value Added Tax Act	Sales Tax	11	2005-13	Assessing officer
Uttarakhand Value Added Tax Act, 2005	Sales Tax	0	2013-14	AO
West Bengal Value Added Tax Act, 2003	Sales Tax	3	1997-12	Tribunal
West Bengal Value Added Tax Act, 2003	Sales Tax	0	1996-97	The Deputy Commissioner of Commercial Taxes
West Bengal Value Added Tax Act, 2003	Sales Tax	0	1995-98	Commercial Tax Officer
West Bengal Value Added Tax Act, 2003	Sales Tax	9	2005-06	Revision Board
<b>Sub Total (A)</b>		<b>844</b>		
Finance Act, 1994 (Service tax provisions )	Service Tax	278	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions )	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions )	Service Tax	9,966	1995-12	Tribunal
Finance Act, 1994 (Service tax provisions )	Service Tax	7	1999-16	Commissioner Adjudication
Finance Act, 1994 (Service tax provisions )	Service Tax	19	2003-10	Commissioner Appeal
Finance Act, 1994 (Service tax provisions )	Service Tax	382	2003-13	Commissioner of Service Tax
<b>Sub Total (B)</b>		<b>10,659</b>		
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08	Supreme Court
Income Tax Act, 1961	Income Tax	10,622	1996-97, 2003-10	High Court
Income Tax Act, 1961	Income Tax	31,580	1995-2011	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,882	1998-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	16	1994-95, 1996-98, 2004-16	Assessing Officer
<b>Sub Total (C)</b>		<b>45,228</b>		
Custom Act, 1962	Custom Act	4,128	2001-05	Supreme Court
Custom Act, 1962	Custom Act	189	2003-12	Tribunal
<b>Sub Total (D)</b>		<b>4,317</b>		
<b>Grand Total:</b>		<b>61,048</b>		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Sales Tax is ₹302 Mn, Service Tax is ₹452 Mn, Income Tax is ₹11,056 Mn and Custom Duty is ₹2,141 Mn.



## Independent Auditor's Report

- (viii) Based on our audit procedures for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans were applied for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the

financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004

**per Nilangshu Katriar**  
Partner  
Membership No: 58814

Place: New Delhi  
Date: May 9, 2017

# Independent Auditor's Report

## **Annexure 2 To the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Bharti Airtel Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### **To the Members of Bharti Airtel Limited**

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004

**per Nilangshu Katriar**  
Partner  
Membership No: 58814

Place: New Delhi  
Date: May 9, 2017

## Standalone Balance Sheet

(All amounts are in millions of Indian Rupees)

Particulars	Notes	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	381,176	312,673	258,156
Capital work-in-progress	6	11,818	28,588	26,898
Intangible assets	7	734,052	606,582	277,892
Intangible assets under development	7	84,184	9,715	64,108
Investment in subsidiaries, joint ventures and associates	8	459,538	698,913	652,478
<b>Financial assets</b>				
- Investments	8	52	52	52
- Derivative instruments	9	213	396	154
- Loans and security deposits	10	10,389	28,861	42,892
- Others	11	556	598	487
Deferred tax assets (net)	12	8,875	23,070	27,241
Other non-current assets	13	39,854	26,622	17,041
		<b>1,730,707</b>	<b>1,736,070</b>	<b>1,367,399</b>
<b>Current assets</b>				
Inventories		39	53	94
<b>Financial assets</b>				
- Investments	8	-	8	47,567
- Derivative instruments	9	634	462	168
- Trade receivables	14	32,118	31,724	33,047
- Cash and cash equivalents	15	1,087	466	3,852
- Loans	10	72,081	43,376	40,552
- Others	11	8,772	13,959	9,665
Current tax assets (net)		15,297	820	-
Other current assets	13	32,952	23,342	12,945
Assets-held-for-sale	5	13,729	-	-
		<b>176,709</b>	<b>114,210</b>	<b>147,890</b>
<b>Total Assets</b>		<b>1,907,416</b>	<b>1,850,280</b>	<b>1,515,289</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	16	19,987	19,987	19,987
Other equity		992,086	1,097,304	1,037,395
		<b>1,012,073</b>	<b>1,117,291</b>	<b>1,057,382</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	17	503,421	414,570	194,209
- Derivative instruments	9	186	8	121
- Others	18	21,881	20,736	19,713
Deferred revenue		18,321	16,984	15,887
Provisions	19	2,330	2,223	1,926
		<b>546,139</b>	<b>454,521</b>	<b>231,856</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	17	65,478	6,999	6,259
- Current maturities of long-term borrowings	17	33,451	33,434	13,171
- Derivative instruments	9	1,662	696	223
- Trade Payables	21	149,698	119,706	105,769
- Others	18	55,671	78,772	65,250
Deferred revenue		30,311	29,485	28,726
Provisions	19	1,291	1,189	1,174
Current tax liabilities (net)		-	-	507
Other current liabilities	20	11,642	8,187	4,972
		<b>349,204</b>	<b>278,468</b>	<b>226,051</b>
<b>Total Liabilities</b>		<b>895,343</b>	<b>732,989</b>	<b>457,907</b>
<b>Total Equity and Liabilities</b>		<b>1,907,416</b>	<b>1,850,280</b>	<b>1,515,289</b>

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004

For and on behalf of the Board of Directors of Bharti Airtel Limited

per Nilangshu Katriar  
Partner  
Membership No: 58814

Sunil Bharti Mittal  
Chairman  
DIN: 00042491

Gopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778

Place: New Delhi  
Date: May 9, 2017

Nilanjan Roy  
Global Chief Financial Officer

# Statement of Profit and Loss

(All amounts are in millions of Indian Rupees; except per share data)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Income</b>			
Revenue from operations	23	622,763	603,003
Other income		1,843	1,729
		<b>624,606</b>	<b>604,732</b>
<b>Expenses</b>			
Network operating expenses	25	145,360	137,889
Access charges		80,505	80,236
License fee / spectrum charges (revenue share)		69,416	69,635
Employee benefits	24	17,385	18,648
Sales and marketing expenses	25	32,320	32,824
Other expenses	25	38,524	39,640
		<b>383,510</b>	<b>378,872</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>		<b>241,096</b>	<b>225,860</b>
Depreciation and amortisation	26	122,034	95,753
Finance costs	27	52,546	35,453
Finance income	27	(23,421)	(15,708)
Non-operating expense	28	2,324	1,019
<b>Profit before exceptional items and tax</b>		<b>87,613</b>	<b>109,343</b>
Exceptional items	29	172,708	6,799
<b>(Loss) / profit before tax</b>		<b>(85,095)</b>	<b>102,544</b>
<b>Tax expense</b>			
Current tax	12	(45)	20,558
Deferred tax	12	14,206	4,183
<b>(Loss) / profit for the year</b>		<b>(99,256)</b>	<b>77,803</b>
<b>Other comprehensive income ('OCI')</b>			
Items not to be reclassified to profit or loss:			
Re-measurement losses on defined benefit plans	24	(36)	(46)
Income tax credit	12	11	12
<b>Other comprehensive loss for the year</b>		<b>(25)</b>	<b>(34)</b>
<b>Total comprehensive (loss) / gain for the year</b>		<b>(99,281)</b>	<b>77,769</b>
<b>Earnings per share (In Rupees) (Face value ₹ 5/- each)</b>			
Basic and Diluted	30	(24.84)	19.46

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004

For and on behalf of the Board of Directors of Bharti Airtel Limited

per Nilangshu Katriar  
Partner  
Membership No: 58814

Sunil Bharti Mittal  
Chairman  
DIN: 00042491

Gopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778

Place: New Delhi  
Date: May 9, 2017

Nilanjan Roy  
Global Chief Financial Officer



## Standalone Statement of Changes in Equity

(All amounts are in millions of Indian Rupees; except per share data)

Particulars	Share capital		Other equity - Reserves and Surplus							Total equity
	No of shares (in '000)	Amount	Share premium	Retained earnings	General reserve	Business restructuring reserve	Share based payment reserve	Capital reserve	Total	
<b>As of April 1, 2015</b>	<b>3,997,400</b>	<b>19,987</b>	<b>106,650</b>	<b>875,263</b>	<b>27,030</b>	<b>24,912</b>	<b>3,489</b>	<b>51</b>	<b>1,037,395</b>	<b>1,057,382</b>
Profit for the year	-	-	-	77,803	-	-	-	-	77,803	77,803
Other comprehensive loss	-	-	-	(34)	-	-	-	-	(34)	(34)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,769</b>	<b>77,769</b>
<b>Transaction with owners of equity</b>										
Employee share-based payment expense	-	-	-	-	-	-	209	-	209	209
Exercise of share options	-	-	-	-	-	-	127	-	127	127
Dividend paid (including tax)	-	-	-	(8,872)	-	-	-	-	(8,872)	(8,872)
Merger of subsidiary	-	-	-	(9,425)	-	(8,599)	-	8,700	(9,324)	(9,324)
<b>As of March 31, 2016</b>	<b>3,997,400</b>	<b>19,987</b>	<b>106,650</b>	<b>934,735</b>	<b>27,030</b>	<b>16,313</b>	<b>3,825</b>	<b>8,751</b>	<b>1,097,304</b>	<b>1,117,291</b>
Loss for the year	-	-	-	(99,256)	-	-	-	-	(99,256)	(99,256)
Other comprehensive loss	-	-	-	(25)	-	-	-	-	(25)	(25)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(99,281)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(99,281)</b>	<b>(99,281)</b>
<b>Transaction with owners of equity</b>										
Employee share-based payment expense	-	-	-	-	-	-	298	-	298	298
Exercise of share options	-	-	-	-	-	-	(144)	-	(144)	(144)
Dividend paid (including tax)	-	-	-	(5,456)	-	-	-	-	(5,456)	(5,456)
Merger of subsidiary	-	-	530	(720)	(445)	-	-	-	(635)	(635)
<b>As of March 31, 2017</b>	<b>3,997,400</b>	<b>19,987</b>	<b>107,180</b>	<b>829,278</b>	<b>26,585</b>	<b>16,313</b>	<b>3,979</b>	<b>8,751</b>	<b>992,086</b>	<b>1,012,073</b>

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004per Nilangshu Katriar  
Partner  
Membership No: 58814Place: New Delhi  
Date: May 9, 2017

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal  
Chairman  
DIN: 00042491Nilanjan Roy  
Global Chief Financial OfficerGopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778

# Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Cash flows from operating activities</b>		
(Loss) / profit before tax	<b>(85,095)</b>	<b>102,542</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	122,034	95,753
Finance costs	52,546	35,453
Finance income	(23,421)	(15,708)
Exceptional items	152,405	(2,925)
Employee share-based payment expenses	298	209
Other non-cash items	795	434
<b>Operating cash flow before changes in working capital</b>	<b>219,562</b>	<b>215,758</b>
<b>Changes in working capital</b>		
Trade receivables	(151)	(3,087)
Trade payables	27,092	9,556
Inventories	14	68
Provisions	180	48
Other financial and non-financial liabilities	225	5,816
Other financial and non-financial assets	(20,827)	(11,863)
<b>Net cash generated from operations before tax</b>	<b>226,095</b>	<b>216,296</b>
Income tax paid	(14,439)	(21,797)
<b>Net cash generated from operating activities (a)</b>	<b>211,656</b>	<b>194,499</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(156,143)	(111,568)
Proceeds from sale of property, plant and equipment	3,053	4,853
Purchase of intangible assets	(179,939)	(71,709)
Net proceeds from current investments	47	47,376
Proceeds from buyback of share by subsidiary	12,350	-
Proceeds from sale of investment of subsidiaries	146,223	-
Investment in joint venture / associate	-	113
Investment in subsidiaries	(74,283)	(111,685)
Advances given to subsidiaries	(98,797)	(17,773)
Loan repayment by subsidiaries	82,288	26,517
Dividend received	16,511	9,470
Interest received	5,858	4,513
<b>Net cash used in investing activities (b)</b>	<b>(242,833)</b>	<b>(219,893)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	140,419	74,520
Repayment of borrowings	(122,391)	(38,490)
Net proceeds / repayment of short-term borrowings	32,832	(3,316)
Interest and other finance charges paid	(10,850)	(5,087)
Proceeds from exercise of share options	3	231
Dividend paid (including tax)	(5,456)	(8,874)
<b>Net cash generated from financing activities (c)</b>	<b>34,557</b>	<b>18,984</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)</b>	<b>3,380</b>	<b>(6,410)</b>
Add: Cash and cash equivalents as at the beginning of the year	(2,558)	3,852
<b>Cash and cash equivalents as at the end of the year (refer Note 15)</b>	<b>822</b>	<b>(2,558)</b>

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**per Nilangshu Katriar**  
Partner  
Membership No: 58814

**Sunil Bharti Mittal**  
Chairman  
DIN: 00042491

**Gopal Vittal**  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778

Place: New Delhi  
Date: May 9, 2017

**Nilanjan Roy**  
Global Chief Financial Officer

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 1. Corporate information

Bharti Airtel Limited ('the Company') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is principally engaged in provision of telecommunication services in India. The details as to the services provided by the Company are further provided in Note 31. For details as to the group entities, refer Note 32.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

These standalone financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA').

The said financial statements for the year ended March 31, 2017 are the first Ind AS financial statements of the Company. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101. For details, refer Note 2.3.

The financial statements are authorized for issue by the Company's Board of Directors on May 09, 2017.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are disaggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

### 2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss and liability for cash-settled awards (refer Note 2.16) - which are measured at fair value.

## Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

**Level 1:** Quoted (unadjusted) prices for identical assets or liabilities in active markets

**Level 2:** Significant inputs to the fair value measurement are directly or indirectly observable

**Level 3:** Significant inputs to the fair value measurement are unobservable.

### 2.3 Basis of transition to Ind AS

The adoption of Ind AS is carried out in accordance with Ind AS 101 on April 1, 2015 being the transition date. Ind AS 101 requires that all Ind AS standards that are issued and effective for the year ending March 31, 2017, be applied retrospectively and consistently for all the periods presented. However, in preparing these financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity at the transition date.

In these financial statements, the Company has presented three balance sheets - as of March 31, 2017, March 31, 2016 and April 1, 2015. The Company has also presented two statements of profit and loss, two statements of changes in equity and two statements of cash flows for the year ended March 31, 2017 and 2016 along with the necessary and related notes.

Ind AS 101 allows first-time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

### Exemptions / exceptions from full retrospective application

(i) The Company has elected to apply the following optional exemption from full retrospective application of Ind AS:

The Company has elected the option of fair valuing the investments in certain subsidiaries to derive the carrying value of these investments ('deemed cost').

(ii) The following mandatory exceptions from retrospective application of Ind AS have applied by the Company :

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

**a) Estimates exception** - On an assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

**b) De-recognition of financial assets and liabilities exception** - Financial assets and liabilities de-recognised before transition date are not re-recognised under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Company's equity, statement of profit and loss and statement of cash flows are provided in Note 38.

## 2.4 Foreign currency transactions

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

## 2.5 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to

settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Separated embedded derivatives are classified basis the host contract.

## 2.6 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives of different categories of PPE as follows:

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

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately,



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

at least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

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.

The cost of capital work-in-progress is presented separately in the balance sheet.

## 2.7 Intangible assets

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

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

### a. Softwares

Softwares are amortised over the period of license, generally not exceeding three years.

### b. Bandwidth

Bandwidth is amortised on straight-line basis over the period of the agreement.

### c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

### d. Other acquired intangible assets

Other acquired intangible assets include the following:

**Rights acquired for unlimited license access:** Over the period of the agreement which ranges upto five years.

**Customer base:** Over the estimated life of such relationships.

**Non-compete fee:** Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Further, the cost of Intangible Assets under Development ('IUD') includes the amount of spectrum allotted to the Company and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets (refer note 7)), if any, for which services are yet to be roll out and are presented separately in the balance sheet.

## 2.8 Impairment of non-financial assets

### Property, plant and equipment and Intangible assets

PPE and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis.

Impairment losses, if any, are recognised in statement of profit and loss.

### Reversal of impairment losses

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

## 2.9 Financial instruments

### a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company recognises its investment in subsidiaries, joint ventures and associates at cost less any impairment losses (basis the recoverable amount being higher of the fair value less costs to sell and the value-in-use). The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / other financial liabilities host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## b. Measurement – Non-derivative financial instruments

### I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except financial guarantee) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Financial guarantees, issued in relation to obligations of subsidiaries, are initially recognized at fair value (as part of the cost of the investment in the subsidiary).

### II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

#### i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

#### ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

## Impairment

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### iii. Subsequent measurement - financial liabilities

The financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period. Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

## c. Measurement – derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

## d. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

## 2.10 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

lease term unless the lease payments increase in line with expected general inflation.

## a. Company as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

## b. Company as a lessor

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

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a straight-line basis over the lease term.

The Company enters into 'Indefeasible right to use' arrangement wherein 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 remains with the Company. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

## 2.11 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

### a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

### b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction

other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

## 2.12 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

## 2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

## 2.14 Non-current assets held for sale

Non-current assets are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain

# Notes to Standalone Financial Statements

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is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised.

## 2.15 Share capital / Share premium

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

## 2.16 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

### a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

### b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

### c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-

term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

### d. Share-based payments

The Company operates equity-settled and cash-settled, employee share-based compensation plans, under which the Company receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.



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Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense 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 replacement award is substituted for the cancelled award, the arrangement is treated as a modification and accounted accordingly.

## 2.17 Provisions

### a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

### b. Asset Retirement Obligation ('ARO')

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

## 2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 2.19 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes / duties, discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

### a. Service revenues

Service revenues mainly pertain to usage subscription and activation charges for voice, data,

messaging and value added services. It also includes revenue towards interconnection charges for usage of the Company's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing/ collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

### b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on 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).

### c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

### d. Capacity Swaps

The exchange of network capacity is recognised 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.

### e. Interest income

The interest income is recognised using the EIR method. For further details, refer Note 2.9.

### f. Dividend income

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

## 2.20 Borrowing costs

Borrowing costs consist of interest and other ancillary

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costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

## 2.21 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 Company.

## 2.22 Dividends Paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholder's approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

## 2.23 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

## 3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

## 3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

### a. Property, plant and equipment

Refer Note 2.6 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Company has reassessed useful life of certain categories of network assets due to technological developments and accordingly has revised the estimate of its useful life in respect of those assets. Out of these assets, the additional depreciation charge of ₹ 2,920 on assets for which the revised useful life has expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of ₹ 6,276 for other assets has been recognised within 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future years is as follows:

Particulars	Year ended			Future Period till end of life
	March 31, 2018	March 31, 2019	March 31, 2020	
Impact on future depreciation charge	(2,764)	(2,646)	(1,109)	15,715

### b. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

### c. Contingencies

Refer Note 22 for details of contingent liabilities.

## 3.2 Critical judgements in applying the Company's accounting policies

The critical judgements, which the management has made in the process of applying the Company's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

### Multiple element contracts with vendors

The Company has entered into multiple element contracts for supply of goods and rendering of services. In certain cases, the consideration paid is 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 the contracts have been accounted under Property, Plant and Equipment and / or as Intangible assets, since

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the Company has economic ownership in these assets and represents the substance of the arrangement.

## Arrangement containing lease

The Company assesses the contracts entered with telecom operators / passive infrastructure services providers to share tower infrastructure services so as to determine whether these contracts that do not take the legal form of a lease convey a right to use an asset or not. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are in the nature of leases. Most of these leases are classified as operating unless the term of the agreement is for the major part of the estimated economic life of the leased asset, which is accounted for as finance lease.

## 4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

### Ind AS 102, 'Share based payments'

In March 2017, MCA issued amendments to Ind AS 102 pertaining to measurement of cash-settled share based payments, classification of share-based payments settled net of tax withholdings and accounting for modification of a share based payment from cash-settled to equity-settled method.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company does not expect that the adoption of the amendments will not have any significant impact on the said financial statements.

### Ind AS 7, 'Statement of cash flows'

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company will be providing the requisite disclosure in its statement of cash flows.

## 5. Significant transactions / new developments

- (i) During the year ended March 31, 2017, the Company has been allotted 155.60 MHz spectrum across 1800/2100/2300 MHz. Consequently, the Company has paid amount of ₹ 67,764 upfront and opted the deferred payment option for ₹ 66,764.
- (ii) The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Airtel Broadband Services Private Limited ('ABSPL') with the Company, was approved by the Hon'ble High Court of Bombay in 2014. Department of Telecommunications ('DoT') had 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, equal to the difference between the entry fee for Unified Access Service License and Internet Service Provider License. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order in 2015 has allowed the Company to operationalise the spectrum subject to the company paying a sum of ₹ 4,361 along with interest as may be determined by the Tribunal, in case the petition fails.

Further, during the year ended March 31, 2016, the Company had entered into a definitive agreement for acquisition of Augere Wireless Broadband Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant closing conditions the transaction has been consummated. The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of AWBPL with the Company, was approved by the Hon'ble High Court of Delhi.

The Company has filed the Scheme with Registrar of Companies ('ROC') on April 9, 2015 and February 15, 2017 which are the effective date and appointed date of merger for ABSPL and AWBPL respectively. Accordingly, these entities have ceased to exist and have merged with the Company. Accordingly, entire assets (₹ 64,837 and ₹ 1,536 - mainly pertains to PPE & CWIP of ₹ 4,843 and IUD of ₹ 55,689), liabilities (₹ 8,890 and ₹ 323 - mainly pertains to borrowings of ₹ 5,396 and capex payable of ₹ 2,582) and the differential value of equity in the respective entity books have been recognised by the Company as the date of the transaction at same carrying values as in the books of ABSPL and AWBPL respectively. The difference of ₹ 8,599 and ₹ 445 between the share capital and the carrying values of investment in ABSPL and AWBPL in the books of the Company has been adjusted with business restructuring reserve and general reserve respectively.

- (iii) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company has bought back its 47,058,823 shares against a consideration of ₹ 425 per share. Out of which the Company has tendered 29,101,272 shares and received the consideration of ₹ 12,368 and accordingly, the excess of proceeds (net of associated costs, taxes and levies) over the cost of investment amounting to ₹ 1,687 has been recognised as gain and disclosed as other income.
- (iv) During the year ended March 31, 2017, the Company has sold 400,000,000 shares in BIL, against a consideration aggregating to ₹ 130,000 and accordingly the excess of cost of investment over the proceeds (net of associated costs, taxes and regulatory levies) amounting to ₹ 25,375 has been recognised as loss under exceptional items. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 50.3%.
- (v) During the year ended March 31, 2017, the Company has entered into an agreement to sell the investment in subsidiaries Bharti Airtel International (Netherlands) B.V. ('BAIN'), Bharti International (Singapore) Pte Ltd ('BISPL') and Bharti Airtel International (Mauritius) Limited

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('BAIML') to its wholly owned subsidiary Network i2i Limited. However, sale of investment in BISPL is subject to certain customary closing conditions, hence has not been consummated. The same has been classified as assets-held-for-sale. Accordingly, the excess of cost of investment over sales consideration, amounting to ₹ 118,582 and ₹ 14,906 pertaining to BAIN / BAIML and BISPL respectively has been recognised as loss under exceptional items.

(vi) During the year ended March 31, 2017, the Company has entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company and definitive agreement to acquire 100% equity stake in Tikona Digital Networks. The said transactions are subject to requisite regulatory approvals and other closing conditions.

(vii) During the year ended March 31, 2017, Bharti Telemedia Limited, a subsidiary of the Company,

has allotted 475 shares to the Company against a consideration of ₹ 4,750.

(viii) During the year ended March 31, 2017, the Company 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 seven circles against a consideration of ₹ 34,840. The Company has received the requisite approvals for the transfer of right to use the spectrum and accordingly the spectrum has been recorded in the books.

(ix) During the year ended March 31, 2016, the Company had entered into a definitive agreement with Videocon Telecommunications Limited to acquire rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹ 46,530. During the year ended March 31, 2017, the Company has received the requisite approvals for the transfer of right to use the spectrum and accordingly the spectrum has been recorded in the books.

## 6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE and capital work-in-progress for the year ended March 31, 2017 and 2016:

Particulars	PPE								Capital work-in-progress
	Leasehold Improvement	Land and Building	Plant and machinery	Furniture & Fixture	Vehicles	Office equipment	Computer	Total	
<b>Gross carrying value</b>									
<b>Balance as of April 1, 2015</b>	<b>4,416</b>	<b>8,366</b>	<b>607,176</b>	<b>1,597</b>	<b>281</b>	<b>3,661</b>	<b>29,018</b>	<b>654,515</b>	<b>26,898</b>
Additions	119	46	-	127	21	661	1,879	2,853	125,379
Disposals / adjustment	(4)	(52)	(8,778)	(14)	(9)	(72)	(8,102)	(17,031)	-
Capitalisation / reclassification	143	(213)	123,758	4	-	-	(3)	123,689	(123,689)
<b>Balance as of March 31, 2016</b>	<b>4,674</b>	<b>8,147</b>	<b>722,156</b>	<b>1,714</b>	<b>293</b>	<b>4,250</b>	<b>22,792</b>	<b>764,026</b>	<b>28,588</b>
Additions	221	73	-	98	34	531	3,039	3,996	130,153
Acquisition through Business Combinations@	-	-	489	-	-	-	-	489	123
Disposals / adjustment	(8)	(57)	(15,384)	(13)	(46)	(50)	229	(15,329)	-
Capitalisation / reclassification	7	(7)	147,104	-	-	(2)	(56)	147,046	(147,046)
<b>Balance as of March 31, 2017</b>	<b>4,894</b>	<b>8,156</b>	<b>854,365</b>	<b>1,799</b>	<b>281</b>	<b>4,729</b>	<b>26,004</b>	<b>900,228</b>	<b>11,818</b>
<b>Accumulated depreciation</b>									
<b>Balance as of April 1, 2015</b>	<b>3,154</b>	<b>2,274</b>	<b>360,217</b>	<b>1,329</b>	<b>219</b>	<b>2,474</b>	<b>26,692</b>	<b>396,359</b>	<b>-</b>
Charge*	397	334	66,415	115	18	485	1,838	69,602	-
Disposals / adjustment	33	(51)	(6,437)	(14)	(3)	(64)	(8,072)	(14,608)	-
Reclassification	40	(52)	1	-	-	3	8	-	-
<b>Balance as of March 31, 2016</b>	<b>3,624</b>	<b>2,505</b>	<b>420,196</b>	<b>1,430</b>	<b>234</b>	<b>2,898</b>	<b>20,466</b>	<b>451,353</b>	<b>-</b>
Charge*	393	312	76,174	116	20	593	1,727	79,335	-
Disposals / adjustment	(3)	(26)	(11,784)	(4)	(30)	(46)	257	(11,636)	-
<b>Balance as of March 31, 2017</b>	<b>4,014</b>	<b>2,791</b>	<b>484,586</b>	<b>1,542</b>	<b>224</b>	<b>3,445</b>	<b>22,450</b>	<b>519,052</b>	<b>-</b>
<b>Net carrying value</b>									
<b>As of April 1, 2015</b>	<b>1,262</b>	<b>6,092</b>	<b>246,959</b>	<b>268</b>	<b>62</b>	<b>1,187</b>	<b>2,326</b>	<b>258,156</b>	<b>26,898</b>
<b>As of March 31, 2016</b>	<b>1,050</b>	<b>5,642</b>	<b>301,960</b>	<b>284</b>	<b>59</b>	<b>1,352</b>	<b>2,326</b>	<b>312,673</b>	<b>28,588</b>
<b>As of March 31, 2017</b>	<b>880</b>	<b>5,365</b>	<b>369,779</b>	<b>257</b>	<b>57</b>	<b>1,284</b>	<b>3,554</b>	<b>381,176</b>	<b>11,818</b>

@ Refer Note 5 (ii)

\* Includes exceptional item of ₹ 1,672 and ₹ 2,925 for the year ended March 31, 2017 and 2016 with respect to plant and machinery (refer Note 29 (i) a, b, c & (ii) b)

Refer note 22(ii)(a) for assets given on operating lease.

Capital work in progress mainly includes ₹ 10,928, ₹ 27,950 and ₹ 26,260 towards plant and machinery as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following table summarises the detail of lease hold land taken on finance lease which represents the significant part of assets taken on finance lease:

Particulars	Grossing Carrying value	Accumulated depreciation	Net carrying value
As of March 31, 2017	411	46	365
As of March 31, 2016	411	44	367
As of April 1, 2015	411	40	371

## 7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets and intangible assets under development for the year ended March 31, 2017 and 2016:

Particulars	Intangible assets					Intangible assets under development
	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangible assets	Total	
<b>Gross carrying value</b>						
<b>Balance as of April 1, 2015</b>	<b>14,964</b>	<b>24,167</b>	<b>307,231</b>	<b>2,172</b>	<b>348,534</b>	<b>64,108</b>
Additions	3,086	1,644	-	-	4,730	298,643
Disposals / adjustment @	(4,236)	-	(9,403)	-	(13,639)	-
Capitalisation / reclassification	-	-	353,036	-	353,036	(353,036)
<b>Balance as of March 31, 2016</b>	<b>13,814</b>	<b>25,811</b>	<b>650,864</b>	<b>2,172</b>	<b>692,661</b>	<b>9,715</b>
Additions	2,657	2,687	-	5,366	10,710	234,815
Acquisition through Business Combinations^	-	-	899	-	899	-
Disposals / adjustment	(138)	(85)	(8)	-	(231)	-
Capitalisation / reclassification	-	-	160,346	-	160,346	(160,346)
<b>Balance as of March 31, 2017</b>	<b>16,333</b>	<b>28,413</b>	<b>812,101</b>	<b>7,538</b>	<b>864,385</b>	<b>84,184</b>
<b>Accumulated amortisation</b>						
<b>Balance as of April 1, 2015</b>	<b>11,972</b>	<b>9,015</b>	<b>49,222</b>	<b>433</b>	<b>70,642</b>	-
Charge	2,396	1,652	24,594	434	29,076	-
Disposals / adjustment @	(4,236)	-	(9,403)	-	(13,639)	-
<b>Balance as of March 31, 2016</b>	<b>10,132</b>	<b>10,667</b>	<b>64,413</b>	<b>867</b>	<b>86,079</b>	-
Charge	2,502	1,863	38,249	1,757	44,371	-
Disposals / adjustment	(138)	28	(7)	-	(117)	-
<b>Balance as of March 31, 2017</b>	<b>12,496</b>	<b>12,558</b>	<b>102,655</b>	<b>2,624</b>	<b>130,333</b>	-
<b>Net Carrying Amount</b>						
<b>As of April 1, 2015</b>	<b>2,992</b>	<b>15,152</b>	<b>258,009</b>	<b>1,739</b>	<b>277,892</b>	<b>64,108</b>
<b>As of March 31, 2016</b>	<b>3,682</b>	<b>15,144</b>	<b>586,451</b>	<b>1,305</b>	<b>606,582</b>	<b>9,715</b>
<b>As of March 31, 2017</b>	<b>3,837</b>	<b>15,855</b>	<b>709,446</b>	<b>4,914</b>	<b>734,052</b>	<b>84,184</b>

@ Mainly pertains to gross block and accumulated amortisation of license (including spectrum) and software whose useful life has expired.

Weighted average remaining amortisation period of license as of March 31, 2017, March 31, 2016 and April 1, 2015 is 16.85, 17.53 and 17.37 years, respectively.

During the year ended March 31, 2017 and 2016 the Company has capitalised borrowing cost of ₹ 2,748 and ₹ 1,937 respectively. Addition in intangible assets under development mainly pertains to Spectrum.

## 8. Investments

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Non- current</b>			
Investments - FVTPL	52	52	52
Investment in subsidiaries	459,494	698,869	652,321
Investment in joint ventures and associates	44	44	157
	<b>459,590</b>	<b>698,965</b>	<b>652,530</b>
<b>Current</b>			
Investments - FVTPL	-	8	47,567
	<b>-</b>	<b>8</b>	<b>47,567</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Non-current investments

As of March 31, 2017	No of shares		As of April 1, 2015		As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
	As of March 31, 2016	As of April 1, 2015					
				<b>Investment in Subsidiaries</b>			
175,000,000	175,000,000	175,000,000	175,000,000	Bharti Hexacom Limited: Equity Shares of ₹ 10 each	5,718	5,718	5,718
100,000	100,000	100,000	100,000	Bharti Airtel Services Limited: Equity Shares of ₹ 10 each *	1	126	1
300	300	300	300	Bharti Airtel (USA) Limited: Equity Shares of USD .0001 each *	1,997	1,997	1,997
123,663	123,663	123,663	123,663	Bharti Airtel (UK) Limited: Equity Shares of GBP 1 each *	1,777	1,777	1,777
4,959,480	4,959,480	4,959,480	4,959,480	Bharti Airtel (Hongkong) Limited: Equity Shares of HKD 1 each *	454	454	454
-	-	-	75,100	Bharti Airtel (Canada) Limited: Equity Shares of CAD 1 each (dissolved on December 31, 2015)	-	-	3
817,427,896	52,227,896	52,227,896	52,227,896	Network 12i Limited: Equity Shares of USD 1 each	58,750	7,925	7,925
930,898,728	1,360,000,000	1,360,000,000	1,360,000,000	Bharti Infratel Limited: Equity Shares of ₹ 10 each (refer note 5) *	341,111	498,347	498,347
484,689,995	9,690,000	9,690,000	9,690,000	Bharti Telemedia Limited: Equity Shares of ₹ 10 each (refer note 5) *	41,320	39,259	39,259
27,146,471,771	27,146,471,771	26,126,080,053	26,126,080,053	Bharti Airtel Lanka (Private) Limited : Equity Shares of SLR 10 each (net of provision) #	-	471	-
-	1	1	1	Bharti Airtel Holdings (Singapore) Pte Limited: Equity Shares of SGD 1 each (merged with BISPL w.e.f. July 15, 2016)	-	15,475	15,475
-	338,642,771	338,642,771	338,642,771	Bharti Airtel Holdings (Singapore) Pte. Limited: Equity Shares of USD 1 each (merged with BISPL w.e.f. July 15, 2016) (refer note 5)	-	-	-
-	3,384,970,000	1,699,970,000	1,699,970,000	Bharti Airtel International (Mauritius) Limited: Equity Shares of USD 1 each # (refer note 5)	-	118,027	7,872
796,499,995	396,000,000	290,000,000	290,000,000	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited) : Equity Shares of ₹ 10 each	7,965	3,960	2,900
-	593,739,000	593,739,000	593,739,000	Bharti International (Singapore) Pte. Limited: Equity Shares of USD 1 each (refer note 5) #	-	3,782	3,782
1	908,443,919	908,443,919	908,443,919	Bharti Airtel International (Netherlands) BV: Equity Shares of EURO 1 each (refer note 5) #	0	-	-
89,230,796	89,230,796	89,230,796	89,230,796	Telesonic Networks Limited : Equity Shares of ₹ 10 each	91	91	91
5,050,000	5,050,000	5,050,000	5,050,000	Nxtra Data Limited: Equity Shares of ₹ 10 each *	309	1,452	1,452
-	-	-	-	Airtel Broadband Services Private Limited: Equity Shares of ₹ 10 each (merged with the Company) (refer note 5)	-	-	65,270
21,850,000	21,850,000	-	-	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	285	285	-
				Equity Shares of ₹ 10 each			
50,000	50,000	50,000	50,000	Wynk Limited: Equity Shares of ₹ 10 each *	1	8	1
45,000	-	-	-	Nettle Infrastructure Investments Limited: Equity Shares of ₹ 10 each	0	-	-

## Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

As of March 31, 2017	No of shares		As of March 31, 2016	As of April 1, 2015		As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
					<b>Investment in joint ventures and associates</b>			
800,000	800,000	800,000			Bridge Mobile PTE Limited : Equity shares of USD 1 each	34	34	34
1,000,000	1,000,000	1,000,000			Firefly Networks Limited : Equity Shares of ₹ 10 each	10	10	10
-	-	11,270,000			Indo Teleport Limited (formerly known as Bharti Teleport Limited) Equity shares of ₹ 10 each	-	-	113
					<b>Other Investments (FVTPL)</b>			
100,000	100,000	100,000			IFFCO Kissan Sanchar Limited : Equity Shares of ₹ 10 each	50	50	50
					Investment in mutual funds	-	-	47,550
					Investment in deposits and Bonds	2	10	19
						<b>459,875</b>	<b>699,258</b>	<b>700,100</b>
					Less: Provision for diminution in value of investments	285	285	3
						<b>459,590</b>	<b>698,973</b>	<b>700,097</b>
					Aggregate book value of unquoted investments	118,764	200,911	154,203
					Aggregate book value of quoted investments	341,111	498,347	545,897
					Aggregate market value of quoted investments	302,961	519,452	571,150
					Aggregate provision for diminution in value of investments	285	285	3

# Investment value has been reduced by ₹ 199,401 for fair valuation adjustments on Ind-AS transition (refer note 38 III (4)).

# Investment value has been reduced by ₹ 199,401 for fair valuation adjustments on Ind-AS transition (refer note 38 III (4)).

All the above investments are unquoted except Bharti Infratel Limited and mutual funds.

All the above investments are unquoted except Bharti Infratel Limited and mutual funds.

**Detail of significant investments in subsidiaries are as below:**

Sl. No	Name of the Subsidiaries	Place of incorporation	Principal activities	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
					% of shareholding	
1	Bharti Hexacom Limited	India	Telecommunication services	70.00	70.00	70.00
2	Bharti Infratel Limited (refer note 5)	India	Infrastructure sharing services	50.30	71.76	71.88
3	Bharti Telemedia Limited	India	Direct To Home services	95.00	95.00	95.00
4	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)	India	Mobile commerce services	80.10	80.10	100.00
5	Airtel Broadband Services Private Limited (refer note 5)	India	Telecommunication services	-	-	100.00
6	Network i2i Limited	Mauritius	Submarine Cable System	100.00	100.00	100.00
7	Bharti Airtel Holdings (Singapore) Pte Ltd (refer note 5)	Singapore	Investment Company	-	100.00	100.00
8	Bharti Airtel International (Mauritius) Limited (refer note 5)	Mauritius	Investment Company	-	100.00	100.00
	Bharti International (Singapore) Pte. Ltd (refer note 5)	Singapore	Telecommunication services	100.00	100.00	100.00

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 9. Derivative financial Instruments

The Company uses foreign exchange option contracts, swap contracts, forward contracts and interest rate swaps to manage some of its transaction exposures.

The details of derivative financial instruments are as follows:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Assets</b>			
Currency swaps, forward and option contracts	187	549	215
Interest swaps	106	-	-
Embedded derivatives	554	309	107
	<b>847</b>	<b>858</b>	<b>322</b>
<b>Liabilities</b>			
Currency swaps, forward and option contracts	1,848	596	111
Embedded derivatives	-	108	233
	<b>1,848</b>	<b>704</b>	<b>344</b>
Non-current derivative financial assets	213	396	154
Current derivative financial assets	634	462	168
Non-current derivative financial liabilities	(186)	(8)	(121)
Current derivative financial liabilities	(1,662)	(696)	(223)
	<b>(1,001)</b>	<b>154</b>	<b>(22)</b>

### Embedded derivative

The Company entered into agreements denominated / determined in foreign currencies. The value of these contracts changes in response to the changes in specified foreign currencies. Some of these contracts have embedded foreign currency derivatives having economic characteristics and risks that are not closely related to those of the host contracts. These embedded foreign currency derivatives have been separated and carried at fair value through profit or loss.

## 10. Loans and security deposits

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unsecured, considered good			
<b>Non - current</b>			
Loans to related parties (refer note 32)	623	18,546	33,240
Security deposits *	9,766	10,315	9,652
	<b>10,389</b>	<b>28,861</b>	<b>42,892</b>
<b>Current</b>			
Loans to related parties (refer note 32)	72,081	43,376	40,552
	<b>72,081</b>	<b>43,376</b>	<b>40,552</b>

\*Security deposits primarily include deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

## 11. Financial Assets – Others

### Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Rent equalisation	49	38	23
Restricted cash *	22	10	6
Others	485	550	458
	<b>556</b>	<b>598</b>	<b>487</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Restricted cash *	647	636	558
Unbilled revenue	7,501	11,148	7,492
Claims recoverable	450	617	397
Interest accrued on investments	24	1,431	1,182
Others	150	127	36
	<b>8,772</b>	<b>13,959</b>	<b>9,665</b>

\* Restricted cash represents amount given as collateral for legal cases and / or bank guarantees for disputed matter and earmarked balances for dividend payouts.



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 12. Income taxes

The major components of Income Tax Expense are:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Current income tax</b>		
- For the year	95	20,014
- Adjustments for prior periods	(140)	544
	<b>(45)</b>	<b>20,558</b>
<b>Deferred tax*</b>		
- Origination and reversal of temporary differences	17,455	5,269
- Adjustments for prior periods	(3,249)	(1,086)
	<b>14,206</b>	<b>4,183</b>
<b>Income tax expense</b>	<b>14,161</b>	<b>24,741</b>

\* Includes minimum alternate tax (MAT) credit of ₹ 1,218 and ₹ 17,631 for the year ended March 31, 2017 and March 31, 2016 respectively.

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and tax (income) / expenses charge is summarised below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(Loss) / profit before tax	(85,095)	102,544
Tax (income) / expense @ company's domestic tax rate of 34.608%	(29,450)	35,488
Effect of:		
Tax holiday	(144)	(8,214)
Adjustments in respect to previous years	(3,389)	(542)
Tax for which no credit is allowed	469	583
(Income) / expense (net) not (taxable) / deductible	46,380	(2,745)
Others	295	171
<b>Income tax expense</b>	<b>14,161</b>	<b>24,741</b>

The analysis of deferred tax assets and liabilities is as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Deferred tax assets</b>			
Provision for impairment of debtors / advances	10,520	7,978	7,178
Carry forward losses	1,575	-	-
Employee benefits	1,044	840	820
Minimum tax credit	57,498	56,280	38,649
Lease rent equalization	6,478	6,189	5,676
Fair valuation of financial instruments and exchange differences	5,791	4,865	4,133
Depreciation / amortisation on property, plant and equipment / intangible assets	(76,574)	(54,076)	(30,396)
Rates and taxes	1,527	-	-
Others	1,016	994	1,181
<b>Net deferred tax assets</b>	<b>8,875</b>	<b>23,070</b>	<b>27,241</b>

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Deferred tax expense</b>		
Provision for impairment of debtors / advances	2,542	800
Carry forward losses	1,575	-
Employee benefits	204	20
Minimum tax credit	1,218	17,631
Lease rent equalization	289	513
Fair valuation of financial instruments and exchange differences	926	732
Depreciation / amortisation on property, plant and equipment / intangible assets	(22,498)	(23,680)
Rates and taxes	1,527	-
Others	11	(199)
<b>Net deferred tax expense</b>	<b>(14,206)</b>	<b>(4,183)</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening balance</b>	<b>23,070</b>	<b>27,241</b>
Tax expense recognised in statement of profit and loss	(14,206)	(4,183)
Tax income recognised in OCI	11	12
<b>Closing balance</b>	<b>8,875</b>	<b>23,070</b>

## 13. Other non-financial assets

### Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Capital advances *	1,033	3,989	77
Other advances	23,007	22,632	16,959
Taxes recoverable	14,139	-	-
Others	1,675	1	5
	<b>39,854</b>	<b>26,622</b>	<b>17,041</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Prepaid expenses	1,960	2,522	2,561
Advances to suppliers	9,579	11,073	2,690
Taxes recoverable	20,404	8,846	6,193
Others	1,009	901	1,501
	<b>32,952</b>	<b>23,342</b>	<b>12,945</b>

\* Includes advance payment of ₹ 3,657 towards spectrum during the year ended March 31, 2016.

Other advances represent payments made to various Government authorities under protest and are disclosed net of provision (refer Note 19).

Taxes recoverable primarily include customs duty, excise duty, service tax and sales tax. Non-current tax recoverable represents service tax recoverable on spectrum beyond one year period.

Advance to Suppliers are disclosed net of provision of ₹1,092, ₹ 2,056 and ₹ 3,003 as of March 31, 2017, 2016 and April 1, 2015, respectively.

Others primarily include employee receivables which principally consist of advances given for business purpose.

## 14. Trade Receivables

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Unsecured</b>			
Considered good *	32,118	31,724	33,047
Considered doubtful	25,530	18,181	16,229
Less: Provision for doubtful receivables	(25,530)	(18,181)	(16,229)
	<b>32,118</b>	<b>31,724</b>	<b>33,047</b>

\*Includes amount due from related parties (refer Note 32).

### The movement in allowances for doubtful debts is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening balance</b>	<b>18,181</b>	<b>16,229</b>
Additions	7,678	6,327
Write off (net of recovery)	329	4,375
<b>Closing balance</b>	<b>25,530</b>	<b>18,181</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 15. Cash and cash equivalents ('C&CE')

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Balances with banks			
- On current accounts	1,030	240	878
- Bank deposits with original maturity of three months or less	-	-	2,700
Cheques on hand	6	166	222
Cash on hand	51	60	52
	<b>1,087</b>	<b>466</b>	<b>3,852</b>

For the purpose of statement of cash flows, C&CE comprise of following:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
C&CE as per balance sheet	1,087	466	3,852
Bank overdraft (refer Note 17)	(265)	(3,024)	-
	<b>822</b>	<b>(2,558)</b>	<b>3,852</b>

The details of Specified Bank Notes held and transacted during the period November 8, 2016 to December 30, 2016 are provided below:-

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash on hand as at November 8, 2016	41	1	42
(+) Permitted receipts	39	674	713
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	80	639	719
Closing cash on hand as at December 30, 2016	-	<b>36</b>	<b>36</b>

## 16. Share Capital

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Authorised shares</b>			
5,500,000,000 (March 31, 2016 and April 1, 2015-5,000,000,000) equity shares of ₹ 5 each	27,500	25,000	25,000
<b>Issued, Subscribed and fully paid-up shares</b>			
3,997,400,102 equity shares of ₹ 5 each	19,987	19,987	19,987
	<b>19,987</b>	<b>19,987</b>	<b>19,987</b>

### 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 cast one vote per share.

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

Particulars	As of March 31, 2017		As of March 31, 2016		As of April 1, 2015	
	No. of shares '000	% holding	No. of shares '000	% holding	No. of shares '000	% holding
<b>Equity shares of ₹ 5 each fully paid up</b>						
Bharti Telecom Limited	1,817,987	45.48%	1,802,318	45.09%	1,747,545	43.72%
Pastel Limited	591,319	14.79%	591,319	14.79%	591,319	14.79%
Indian Continent Investment Limited	265,861	6.65%	265,861	6.65%	265,861	6.65%
LIC of India Child Fortune Plus Balanced Fund	211,832	5.30%	203,879	5.10%	-	-
Three Pillar Pte Limited	199,870	5.00%	199,870	5.00%	199,870	5.00%

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## c. Shares held by Bharti Airtel Welfare Trust against employee share-based payment plans (face value of ₹ 5/- each)

Particulars	As of March 31, 2017		As of March 31, 2016	
	Shares '000	Amount	Shares '000	Amount
<b>Opening balance</b>	1,882	524	1,411	114
Purchased during the year	-	-	1,500	514
Exercised during the year	(537)	(157)	(1,029)	(104)
	<b>1,345</b>	<b>367</b>	<b>1,882</b>	<b>524</b>

## d. Dividend paid and proposed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Declared and paid during the year:</b>		
Final dividend for 2015-16 : ₹ 1.36 per share (including dividend distribution tax @ 20.358% of ₹ 1,107 Mn)	6543	-
Final dividend for 2014-15 : ₹ 2.22 per share (including dividend distribution tax @ 20.358% of ₹ 1,807 Mn)	-	10,681
	<b>6,543</b>	<b>10,681</b>
<b>B Proposed dividend</b>		
Final dividend for 2016-17: ₹ 1.00 per share (2015-16 : ₹ 1.36 per share)	3,997	5,436
Dividend distribution tax @ 20.358%	814	1,107
	<b>4,811</b>	<b>6,543</b>

The proposed dividend is subject to approval at annual general meeting and hence has not been recognised as liability. During the year ended March 31, 2017 and 2016, the Company has availed tax credit of ₹ 1,087 and ₹ 1,807 respectively, on account of dividend distribution tax on dividend received from subsidiary companies.

## 17. Borrowings

### Non-current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Secured</b>			
Term loans	-	-	-
Others*	31	20	19
	<b>31</b>	<b>20</b>	<b>19</b>
Less: Current portion (A)	(15)	(10)	(9)
	<b>16</b>	<b>10</b>	<b>10</b>
<b>Unsecured</b>			
Term loans	31,457	39,207	64,050
Non convertible bonds @	64,082	65,402	-
Deferred payment liabilities **	439,205	341,424	143,167
Finance lease obligations	2,097	1,951	144
	<b>536,841</b>	<b>447,984</b>	<b>207,361</b>
Less: Current portion (B)	(33,436)	(33,424)	(13,162)
	<b>503,405</b>	<b>414,560</b>	<b>194,199</b>
	<b>503,421</b>	<b>414,570</b>	<b>194,209</b>
<b>Current maturities of long-term borrowings (A+B)</b>	<b>33,451</b>	<b>33,434</b>	<b>13,171</b>

\*Others include vehicle loans taken from banks which were secured by hypothecation of the vehicles.

@ During the year ended March 31, 2016, the Company had issued 4.375% USD 1,000 Mn (₹ 63,973) senior unsecured notes ('Bonds') at issue price of 99.304% which are listed on Singapore stock exchange and due for repayment in the year 2025.



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Unsecured</b>			
Term loans	65,213	3,975	6,259
Bank overdraft	265	3,024	-
	<b>65,478</b>	<b>6,999</b>	<b>6,259</b>

\*\* During the year ended March 31, 2017, 2015 and 2014, the Company had won the auction for spectrum aggregating to 350.6 Mhz. The Company had opted for deferred payment in certain circles for a specified portion of the auction price. The deferred payment liability recognised in the financial statements is payable in 10 equal annual installments (including the related interest) after a moratorium of two years.

## 17.1 Analysis of borrowings

The details given below are gross of debt origination cost.

### 17.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Company's borrowings based on contractual undiscounted payments.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Within one year	99,332	40,433	19,430
Between one and two years	41,830	27,023	25,119
Between two and five years	91,535	71,101	42,368
Over five years	371,242	318,447	128,779
	<b>603,939</b>	<b>457,004</b>	<b>215,696</b>

The borrowings of ₹ 265, ₹ 3,024 and ₹ Nil outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising bank overdraft facilities from banks which are repayable on demand. The borrowings of ₹ 601,577, ₹ 452,029 and ₹ 215,552 outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising various loans, are repayable in total 368, Nil and Nil monthly installments, 586, 732 and 842 half yearly installments, 36, 20 and 15 yearly installments, 11, 1 and Nil bullet installments, and finance lease obligation of ₹ 2,097, ₹ 1,951 and ₹ 144 in total 85, 84 and 15 yearly, quarterly and monthly installments.

### 17.1.2 Interest rate and currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the statement of profit and loss, since the Company has taken derivatives for offsetting the foreign currency & interest rate exposure. For foreign currency and interest rate sensitivity, refer Note 33.

Particulars	Weighted Average Rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.60%	502,918	46,765	456,153
USD	3.58%	101,021	36,555	64,466
<b>March 31, 2017</b>		<b>603,939</b>	<b>83,320</b>	<b>520,619</b>
INR	9.99%	346,430	3,036	343,394
USD	3.22%	110,574	44,762	65,812
<b>March 31, 2016</b>		<b>457,004</b>	<b>47,798</b>	<b>409,206</b>
INR	10.08%	163,483	20,153	143,330
USD	1.16%	52,213	52,213	-
<b>April 1, 2015</b>		<b>215,696</b>	<b>72,366</b>	<b>143,330</b>

## 17.2 Unused lines of credit \*

The below table provides the details of un-drawn credit facilities that are available to the Company.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Unsecured</b>	<b>172,646</b>	<b>126,561</b>	<b>151,118</b>

\* Excluding non-fund based facilities.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 18 Financial Liabilities - Others

### Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equipment supply payable	-	-	452
Lease rent equalisation	19,541	19,913	18,439
Others	2,340	823	822
	<b>21,881</b>	<b>20,736</b>	<b>19,713</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equipment supply payables	44,304	65,874	53,790
Employees payables	2,290	2,944	2,262
Interest accrued but not due	1,409	1,164	237
Security deposit *	2,538	2,602	2,722
Others	5,130	6,188	6,239
	<b>55,671</b>	<b>78,772</b>	<b>65,250</b>

\* It pertains to deposits received from subscriber / channel partners which are repayable on disconnection, net of outstanding, if any.

'Others' include payable to Qualcomm Asia Pacific Pte. Limited of ₹ 4,104 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 known as Wireless Business Services private Limited)

## 19 Provisions

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Asset retirement obligation	921	921	703
Gratuity	1,827	1,668	1,587
Compensated absence	789	730	720
Other employee benefit plans	84	93	90
	<b>3,621</b>	<b>3,412</b>	<b>3,100</b>
Non-current - provisions	2330	2223	1926
Current - provisions	1291	1189	1174
	<b>3621</b>	<b>3412</b>	<b>3100</b>

The movement of provision toward Asset retirement obligations is as below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	921	703
Additions	22	243
Interest cost	(22)	(25)
	<b>921</b>	<b>921</b>

Due to large number of lease arrangements of the Company, the range of expected period of outflows of provision for asset retirement obligation is significantly wide.

Refer Note 24 for movement of provision towards employee benefits.

The movement of provision towards subjudice matters is as below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	75,196	55,205
Net additions	10,758	19,991
	<b>85,954</b>	<b>75,196</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The said provision has been disclosed under:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Other non-financial assets - non-current (refer note 13)	40,985	34,586	27,362
Other non-financial liabilities - current (refer note 20)	674	603	530
Trade payables (refer note 21)	44,295	40,007	27,313
	<b>85,954</b>	<b>75,196</b>	<b>55,205</b>

## 20 Other non-financial liabilities

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Taxes payable	11,501	7,844	4,629
Others	141	343	343
	<b>11,642</b>	<b>8,187</b>	<b>4,972</b>

Taxes payable include service tax, sales tax and other taxes payable and also include provision towards sub judice matters (refer Note 19).

## 21 Trade Payables

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Trade payables*	<b>149,698</b>	<b>119,706</b>	<b>105,769</b>

\* It includes amount due to related parties (refer Note 32) and provision towards sub judice matters (refer Note 19).

## 22 Contingent liabilities and commitments

### (i) Contingent liabilities

#### Claims against the company not acknowledged as debt:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)			
-Sales Tax and Service Tax	11,245	11,259	11,120
-Income Tax	12,527	16,282	16,335
-Customs Duty	4,317	4,254	4,254
-Entry Tax	5,509	5,061	4,221
-Stamp Duty	404	404	411
-Municipal Taxes	121	122	122
-Department of Telecom ('DoT') demands	36,540	4,809	4,766
-Other miscellaneous demands	962	818	59
(ii) Claims under legal cases including arbitration matters			
-Access Charges / Port Charges	8,733	8,196	6,952
-Others	599	610	562
	<b>80,957</b>	<b>51,815</b>	<b>48,802</b>

Further, refer Note f(iv), f(v) and f(vi) below for other DoT matter.

The category wise detail of the contingent liability has been given below:-

#### a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations which

were 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 under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## b) Income Tax demand

Income tax demands mainly include the appeals filed by the Company 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 payments to international operators for access charges.

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

- (i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company filed a petition against the demand with the TDSAT which allowed payments by the Company based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.
- (ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.
- (iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

## d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software. The view of the Company is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('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.

## 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.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Company has decided to maintain status-quo on its position and hence continued to disclose it as contingent liability.

## f) DoT Demands

- (i) DoT demands include Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. However, the Hon'ble High Courts vide interim orders in 2012 had permitted the Company to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. Further, TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DoT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial year 2006-07, 2007-08, 2008-09 and 2009-10.
- (ii) 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.
- (iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

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 and does not expect any financial impact due to these matters.

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

- (iv) Post the Hon'ble Supreme Court Judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the



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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. Further as stated in point (i) above, the interpretation as to the components of AGR (including the above component) is subject to litigation and the Hon'ble High Courts vide interim orders in 2012 had permitted the Company to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. The matter is currently pending adjudication of the matter by Hon'ble Supreme Court.

- (v) On January 8, 2013, DoT issued a demand on the Company for ₹ 51,353 towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 8,940 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 ₹ 42,413 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. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

- (vi) DoT had issued notices to the Company (as well as 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 and levied a financial penalty of ₹ 3,500 on the Company. The Company contested the notices and upon various rounds of litigations, in response to which TDSAT in 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 before the Hon'ble Supreme Court which is yet to be listed for hearing.

## Guarantees:

Guarantees outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015 amounting to ₹ 123,614, ₹ 99,911 and ₹ 101,379, respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

## (ii) Commitments

### Capital commitments

Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 69,623, ₹ 45,115 and ₹ 274,832 (including ₹ Nil, ₹ 10,970 and ₹ 244,040 towards spectrum) as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

### Lease Commitments

#### a) Operating Lease

As per the agreements maximum obligation on long-term non-cancellable operating leases are as follows:

### As lessee

The future minimum lease payments obligations are as follows:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	72,725	68,645	60,478
Later than one year but not later than five years	277,273	215,297	218,622
Later than five years	90,895	102,969	111,760
	<b>440,893</b>	<b>386,911</b>	<b>390,860</b>
Lease Rentals	71,059	63,941	
Lease equalisation adjustments	(421)	1,473	

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

### As lessor

- (i) The Company has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis. 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, 2017 and accordingly, disclosures required by Ind AS-17 are not provided.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

(ii) The future minimum lease payment receivables are as follows:

## As lessor

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	221	337	328
Later than one year but not later than five years	929	1,344	1,207
Later than five years	430	430	904
	<b>1,580</b>	<b>2,111</b>	<b>2,439</b>

## b) Finance Lease

### As lessee

Finance lease obligation of the Company as of March 31, 2017 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	668	111	557
Later than one year but not later than five years	1,387	223	1,164
	<b>2,055</b>	<b>334</b>	<b>1,721</b>

Finance lease obligation of the Company as of March 31, 2016 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	713	92	621
Later than one year but not later than five years	1,519	228	1,291
	<b>2,232</b>	<b>320</b>	<b>1,912</b>

Finance lease obligation of the Company as of April 1, 2015 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	42	12	30
Later than one year but not later than five years	117	16	101
	<b>159</b>	<b>28</b>	<b>131</b>

The escalation clause includes escalation ranging from 0% to 7.5%, includes option of renewal in block of 3 years.

### As lessor

The future minimum lease payments receivable of the Company as of March 31, 2017 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
	<b>322</b>	<b>42</b>	<b>279</b>

The future minimum lease payments receivable of the Company as of March 31, 2016 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	126	33	94
Later than one year but not later than five years	297	37	260
	<b>423</b>	<b>70</b>	<b>354</b>

The future minimum lease payments receivable of the Company as of April 1, 2015 is as follows:-

Particulars	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>168</b>	<b>30</b>	<b>138</b>

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 23 Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Service revenue	622,637	602,617
Sale of products	126	386
	<b>622,763</b>	<b>603,003</b>

## 24 Employee benefits

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and bonus	14,731	15,742
Contribution to provident and other funds	672	652
Staff welfare expenses	611	682
Defined benefit plan / other long-term benefits	557	531
Share based payment expense		
- Equity-settled plans	298	204
- Cash-settled plans	157	360
Others	359	477
	<b>17,385</b>	<b>18,648</b>

### 24.1 Share based payment plans

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

Scheme	Plan	Vesting period (years)	Contractual term (years)
<b>Equity settled Plans</b>			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
<b>Cash settled Plans</b>			
Performance Unit Plan (PUP)	Performance Unit Plan (PUP) 2013, 2014 & 2015	1 - 4	3-5

The stock options vesting are subject to service and certain performance conditions mainly pertaining to certain financial parameters.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are as follows:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of share options (‘000)	Weighted average exercise price (₹)	Number of share options (‘000)	Weighted average exercise price (₹)
<b>2006 Plan</b>				
Outstanding at beginning of year	305	5.00	390	5.00
Granted	-	-	-	-
Exercised	(100)	5.00	(75)	5.00
Forfeited / Expired	-	-	(10)	5.00
Outstanding at end of year	205	5.00	305	5.00
Exercisable at end of year	36	5.00	30	5.00
<b>2008 Plan and AGP</b>				
Outstanding at beginning of year	639	402.50	2,534	355.45
Granted	-	-	-	-
Exercised	-	-	(686)	334.89
Forfeited / Expired	(639)	402.50	(1,209)	342.24
Outstanding at end of year	-	-	639	402.50
Exercisable at end of year	-	-	639	402.50
<b>PSP 2009 Plan</b>				
Outstanding at beginning of year	53	5.00	83	5.00
Granted	-	-	-	-
Exercised	(37)	5.00	(22)	5.00
Forfeited / Expired	(10)	5.00	(8)	5.00
Outstanding at end of year	6	5.00	53	5.00
Exercisable at end of year	5	5.00	53	5.00
<b>Special ESOP and RSU Plan</b>				
Outstanding at beginning of year	126	5.00	189	5.00
Granted	-	-	-	-
Exercised	(91)	5.00	(44)	5.00
Forfeited / Expired	(1)	5.00	(19)	5.00
Outstanding at end of year	34	5.00	126	5.00
Exercisable at end of year	34	5.00	126	5.00
<b>LTI Plans</b>				
Outstanding at beginning of year	1,709	5.00	523	5.00
Granted	820	5.00	1,576	5.00
Exercised	(308)	5.00	(201)	5.00
Forfeited / Expired	(219)	5.00	(189)	5.00
Outstanding at end of year	2,002	5.00	1,709	5.00
Exercisable at end of year	358	5.00	208	5.00
<b>PUP</b>				
Number of shares under option:				
Outstanding at beginning of year	3,118	-	4,801	-
Granted	9	-	18	-
Exercised	(1,257)	-	(822)	-
Forfeited / Expired	(469)	-	(879)	-
Outstanding at end of year	1,401	-	3,118	-
Exercisable at end of year	-	-	-	-



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)			Weighted Avg Fair Value for the options granted during the year ended (₹)			Weighted average share price for the options exercised during the year ended (₹)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Equity settled Plans</b>									
2006 Plan	4.07	5.00	5.86	-	-	361.19	316.50	350.45	371.70
2008 Plan & AGP	-	0.25	0.63	-	-	-	-	397.45	383.30
PSP 2009 Plan	0.34	0.69	1.87	-	-	-	346.84	367.51	352.26
Special ESOP & RSU Plan	0.10	1.20	2.26	-	-	-	329.91	319.66	350.09
LTI Plan (2011, 2012, 2015 & 2016)	5.65	5.98	4.27	338.50	398.32	291.63	296.90	348.28	368.36
<b>Cash settled Plans</b>									
PUP 2013, 2014 & 2015	1.20	1.85	2.58	379.25	361.11	389.29	466.38	420.81	354.24

The carrying value of cash settled plans liability is ₹ 141, ₹ 697 and ₹ 658 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Risk free interest rates	5.79% to 6.86%	6.86% to 7.83%
Expected life	4 to 60 months	4 to 60 months
Volatility	27.08% to 27.59%	26.63% to 27.45%
Dividend yield	0.39% to 0.63%	0.54% to 0.63%
Wtd average exercise price (₹)	0 to 5	0 to 5

The expected life of the stock options is based on the Company's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 24.2 Defined benefit plan

The details of defined benefit obligations and plan assets are as follows:

Particulars	For the year March 31, 2017		For the year March 31, 2016	
	Gratuity	Compensated absence	Gratuity	Compensated absence
<b>Obligation:</b>				
Balance as at beginning of the year	1,668	730	1587	720
Current service cost	256	150	247	145
Interest cost	133	58	135	61
Benefits paid	(273)	(113)	(340)	(145)
Transfers	7	4	(7)	6
Remeasurements	36	(40)	46	(57)
<b>Present value of funded obligation</b>	<b>1,827</b>	<b>789</b>	<b>1,668</b>	<b>730</b>
<b>Current portion</b>	<b>498</b>	<b>789</b>	<b>454</b>	<b>730</b>
<b>Non-current portion</b>	<b>1,329</b>	<b>-</b>	<b>1,214</b>	<b>-</b>

The expected contribution for the year ended March 31, 2017 and 2016 for Gratuity plan is ₹ 389 and ₹ 380, respectively.

### Amount recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Experience losses	15	6
Gains from change in demographic assumptions	(20)	4
Losses from change in financial assumptions	41	36
<b>Remeasurements on liability</b>	<b>36</b>	<b>46</b>

**Due to its defined benefit plans, the Company is exposed to the following significant risks:**

**Changes in bond yields** - A decrease in bond yields will increase plan liability.

**Salary risk** - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Discount rate	7.40%	8.00%	8.50%
Rate of return on plan assets	N.A.	N.A.	N.A.
Rate of salary increase	10.00%	10.00%	10.00%
Rate of attrition	21% to 29%	20% to 23%	19% to 27%
Retirement age	58	58	58

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

Particulars	Change in assumption	As of March 31, 2017		As of March 31, 2016	
		Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	-59	-33	-73	-33
	-1%	64	36	80	36
Salary Growth Rate	+1%	62	-33	77	35
	-1%	-59	36	-72	-33

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Within one year	498	454	450
Within one - three years	569	463	433
Within three - five years	327	287	278
Above five years	433	464	426
Weighted average duration (in years)	3.42	3.75	3.69

## 25 Network operating expenses / sales and marketing expenses / other expenses

### a. Network operating expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Internet, bandwidth and leasedline charges	4,834	6,040
Passive infrastructure charges	48,884	45,444
Power and fuel	65,093	57,589
Repair and maintenance	21,240	25,683
Others	5,309	3,133
	<b>145,360</b>	<b>137,889</b>

### b. Sales and marketing expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Advertisement & marketing	7,200	7,485
Sales commission and distribution expenses	21,957	19,087
Business promotion	1,706	4,829
Others	1,457	1,423
	<b>32,320</b>	<b>32,824</b>

### c. Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cost of good sold	58	375
Charity and donation#	1,146	575
Legal and professional fees	7,925	7,981
Bad debts written off	329	4,375
Provision for doubtful debts	7,349	1,952
Content costs	5,934	6,506
Collection and recovery expenses	3,955	3,625
Customer care expenses	3,540	3,611
Travelling and conveyance	1,084	1,261
IT expenses	4,754	4,610
Others	2,450	4,769
	<b>38,524</b>	<b>39,640</b>

# As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ 2,079 and ₹ 1,890 for the year ended March 31, 2017 and 2016 on corporate social responsibility expenditure. During the year ended March 31, 2017 and 2016, the Company has spent in cash an amount of ₹ 56 and ₹ 535 towards education and sanitation respectively. Further, amount paid to Satya Electoral Trust for political purpose amounting to ₹ 170 and ₹ Nil during the year ended March 31, 2017 and 2016 respectively.

## 26 Depreciation and amortisation

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation *	77,663	66,677
Amortisation	44,371	29,076
	<b>122,034</b>	<b>95,753</b>

\* includes impact of reassessment of useful life, refer Note 3.1 a.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 27 Finance costs and income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Finance costs</b>		
Interest expense	42,902	23,544
Net loss on derivative financial instruments	2,244	-
Net loss on FVTPL investments	-	184
Net exchange loss	-	4,561
Other finance charges	7,400	7,164
	<b>52,546</b>	<b>35,453</b>
<b>Finance income</b>		
Interest income	18,242	15,220
Net gain on FVTPL investments	1,725	-
Net exchange gain	3,454	-
Net gain on derivative financial instruments	-	488
	<b>23,421</b>	<b>15,708</b>

'Other finance charges' include bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters.

## 28 Non-operating expense

Non-operating expense comprises regulatory levies applicable to finance income.

## 29 Exceptional Items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2017:

- Charge of ₹ 2,396 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program.
- Charge of ₹ 2,920 resulting from reassessment of the useful life of certain categories of network assets of the Company due to technological advancements. (Refer Note 3.1 (a))
- Net charge aggregating to ₹ 7,506 pertaining to regulatory levies related assessment / provisions, settlement of tax related contingent liability and reconciliation of balances.

d. Loss of ₹ 159,886 pertains to internal restructuring and divestment. (Refer Note 5 (v))

(ii) For the year ended March 31, 2016:

- Charge for regulatory fee provisions of ₹ 2,659 arising out of re-assessment of certain positions.
- Charge of ₹ 4,140 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program.

Tax expense includes:

- Tax benefit of ₹ 5,864 and ₹ 2,243 for the year ended March 31, 2017 and 2016, respectively on above exceptional items.
- Tax benefit of ₹ 1,892 during the year ended March 31, 2017 on account of reassessment of tax provisions.

## 30 Earnings per share ('EPS')

The followings is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Weighted average shares outstanding for basic / diluted EPS	3,997,400	3,997,400
(Loss) / profit for the year	(99,256)	77,803

## 31 Segment Reporting

The Company's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Company (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before

exceptional items and tax. Accordingly, finance costs / income, non – operating expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments and reflected in the 'Eliminations' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles,



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

intangible assets under development, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

Effective April 1, 2016, the Company has realigned the reporting of its corporate data and fixed-line business with Airtel business and accordingly renamed Telemedia Service to Homes Services. The historical periods have been restated for the above mention segmental changes to make them comparable.

The revised reporting segments of the Company are as below:

**Mobile Services:** 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.

**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.

**Homes Services:** These services cover voice and data communications through fixed-line network and broadband technology.

**Unallocated:** Unallocated items include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Company, non-current investment, current taxes, deferred taxes and certain financial assets and liabilities, not allocated to the operating segments.

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

Particulars	Mobile Services India	Airtel Business	Homes Services	Unallocated	Eliminations	Total
Revenue from external customers	505,670	90,421	26,672	-	-	622,763
Inter-segment revenue	21,075	7,979	198	-	(29,252)	-
<b>Total revenue</b>	<b>526,745</b>	<b>98,400</b>	<b>26,870</b>	<b>-</b>	<b>(29,252)</b>	<b>622,763</b>
Segment result	94,680	19,469	6,331	(1,418)	-	119,062
Finance costs						52,546
Finance income						(23,421)
Non-operating expense						2,324
Exceptional items (refer note 29)						172,708
<b>Profit before tax</b>						<b>(85,095)</b>
<b>Other segment items</b>						
Capital expenditure	362,700	14,058	19,286	1,633	(20,862)	376,815
Depreciation and amortisation	113,230	9,737	5,951	12	(6,896)	122,034
<b>As of March 31, 2017</b>						
Segment assets	1,541,193	233,317	296,014	616,542	(779,650)	1,907,416
Segment liabilities	736,333	151,419	231,935	555,306	(779,650)	895,343

Summary of the segmental information for the year ended, as of March 31, 2016 and as of April 1, 2015 is as follows:

Particulars	Mobile Services India	Airtel Business	Homes Services	Unallocated	Eliminations	Total
Revenue from external customers	500,080	78,624	24,299	-	-	603,003
Inter-segment revenue	18,226	8,527	215	-	(26,968)	-
<b>Total revenues</b>	<b>518,306</b>	<b>87,151</b>	<b>24,514</b>	<b>-</b>	<b>(26,968)</b>	<b>603,003</b>
Segment result	112,068	14,031	5,540	(1,532)	-	130,107
Finance income						(15,708)
Finance costs						35,453
Other expenses						1,019
Exceptional items (refer note 29)						6,799
<b>Profit before tax</b>						<b>102,544</b>
<b>Other segment items</b>						
Capital expenditure	425,861	13,759	6,026	932	(11,042)	435,536
Depreciation and amortisation	86,279	10,367	4,749	14	(5,656)	95,753
<b>As of March 31, 2016</b>						
Segment assets	1,376,117	167,483	166,534	800,866	(660,720)	1,850,280
Segment liabilities	611,172	103,148	108,295	571,094	(660,720)	732,989
<b>As of April 1, 2015</b>						
Segment assets	1,070,350	125,483	105,051	817,726	(603,321)	1,515,289
Segment liabilities	387,377	73,302	50,727	549,822	(603,321)	457,907

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Unallocated assets comprise of :</b>			
Derivative financial assets	847	858	322
Deferred tax asset	8,875	23,070	27,241
Current tax assets	15,297	820	-
Inter-segment loans / receivables	27,701	3,185	2,284
Other investments	52	60	47,619
Investment in subsidiaries, joint ventures and associates	459,538	698,913	652,478
Loans to related parties	72,704	61,922	73,792
Others	31,528	12,038	13,990
	<b>616,542</b>	<b>800,866</b>	<b>817,726</b>
<b>Unallocated liabilities comprise of :</b>			
Borrowings	160,783	108,604	70,328
Derivative financial liabilities	1,848	704	344
Current tax liabilities	-	-	507
Inter-segment loans / payables	359,597	437,856	470,627
Others	33,078	23,930	8,016
	<b>555,306</b>	<b>571,094</b>	<b>549,822</b>

## Geographical information:

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

### (a) Revenue from external customers:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
India	575,319	562,697
Others	47,444	40,306
	<b>622,763</b>	<b>603,003</b>

### (b) Non-current operating assets:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
India	1,197,249	942,372	621,865
Others	13,981	15,186	5,189
	<b>1,211,230</b>	<b>957,558</b>	<b>627,054</b>

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

## 32 Related Party disclosures Subsidiaries

### - Indian

Airtel Broadband Services Private Limited (merged with the Company w.e.f April 9, 2015)  
Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)  
Bharti Airtel Services Limited  
Bharti Hexacom Limited  
Bharti Infratel Limited  
Bharti Infratel Services Limited #  
Bharti Telemedia Limited  
Indo Teleports Limited (formerly known as Bharti Teleports Limited)  
Nxtra Data Limited  
Smartx Services Limited (subsidiary w.e.f. September 21, 2015)

Telesonic Networks Limited

Wynk Limited

Nettle Infrastructure Investments Limited

(formerly known as Nettle Developers Limited, subsidiary w.e.f. March 14, 2017)

Augere Wireless Broadband India Private Limited (subsidiary w.e.f. June 7, 2016, subsequently merged with the Company w.e.f. February 15, 2017) ^

### - Foreign

Africa Towers N.V.

Africa Towers Services Limited ##

Airtel (Seychelles) Limited

Airtel (SL) Limited (sold on July 19, 2016)

Airtel Bangladesh Limited (Merged with Robi Axiata Limited w.e.f. November 16, 2016)

Airtel Burkina Faso S.A. (sold on June 22, 2016)

Airtel Congo (RDC) S.A.

Airtel Congo S.A.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Airtel DTH Services (SL) Limited #  
Airtel DTH Services Congo (RDC) S.p.r.l. ###  
Airtel DTH Services Nigeria Limited ##  
Airtel Gabon S.A.  
Airtel Ghana Limited  
Airtel Madagascar S.A.  
Airtel Malawi Limited  
Airtel Mobile Commerce (Ghana) Limited  
Airtel Mobile Commerce (Kenya) Limited  
Airtel Mobile Commerce (Seychelles) Limited  
Airtel Mobile Commerce (SL) Limited (sold on July 19, 2016)  
Airtel Mobile Commerce (Tanzania) Limited  
Airtel Mobile Commerce B.V.  
Airtel Mobile Commerce Burkina Faso S.A. (sold on June 22, 2016)  
Airtel Mobile Commerce Holdings B.V.  
Airtel Mobile Commerce Limited, Malawi  
Airtel Mobile Commerce Madagascar S.A.  
Airtel Mobile Commerce Rwanda Limited  
Airtel Mobile Commerce Tchad S.a.r.l.  
Airtel Mobile Commerce Uganda Limited  
Airtel Mobile Commerce Zambia Limited  
Airtel Money (RDC) S.A.  
Airtel Money Niger S.A.  
Airtel Money S.A. (Gabon)  
Airtel Money Transfer Limited  
Airtel Money Tanzania Limited (incorporated on June 10, 2016)  
Airtel Networks Kenya Limited  
Airtel Networks Limited  
Airtel Networks Zambia Plc  
Airtel Rwanda Limited  
Airtel Tanzania Limited  
Airtel Tchad S.A.  
Airtel Towers (Ghana) Limited #  
Airtel Towers (SL) Company Limited #  
Airtel Uganda Limited  
Bangladesh Infratel Networks Limited ##  
Bharti Airtel (Canada) Limited ###  
Bharti Airtel (France) SAS  
Bharti Airtel (Hong Kong) Limited  
Bharti Airtel (Japan) Kabushiki Kaisha  
Bharti Airtel (UK) Limited  
Bharti Airtel (USA) Limited  
Bharti Airtel Africa B.V.  
Bharti Airtel Burkina Faso Holdings B.V.  
Bharti Airtel Chad Holdings B.V.  
Bharti Airtel Congo Holdings B.V.  
Bharti Airtel Developers Forum Limited  
Bharti Airtel DTH Holdings B.V.  
Bharti Airtel Gabon Holdings B.V.  
Bharti Airtel Ghana Holdings B.V.  
Bharti Airtel Holdings (Singapore) Pte Ltd (merged with Bharti International (Singapore) Pte Ltd w.e.f. July 15, 2016)  
Bharti Airtel International (Mauritius) Limited^  
Bharti Airtel International (Netherlands) B.V.^

Bharti Airtel Kenya B.V.  
Bharti Airtel Kenya Holdings B.V.  
Bharti Airtel Lanka (Private) Limited  
Bharti Infratel Lanka (Private) Limited ##  
Bharti Airtel Madagascar Holdings B.V.  
Bharti Airtel Malawi Holdings B.V.  
Bharti Airtel Mali Holdings B.V.  
Bharti Airtel Niger Holdings B.V.  
Bharti Airtel Nigeria B.V.  
Bharti Airtel Nigeria Holdings B.V. ##  
Bharti Airtel Nigeria Holdings II B.V.  
Bharti Airtel RDC Holdings B.V.  
Bharti Airtel Rwanda Holdings Limited  
Bharti Airtel Services B.V.  
Bharti Airtel Sierra Leone Holdings B.V. (sold on July 19, 2016)  
Bharti Airtel Tanzania B.V.  
Bharti Airtel Uganda Holdings B.V.  
Bharti Airtel Zambia Holdings B.V.  
Bharti International (Singapore) Pte. Ltd  
Burkina Faso Towers S.A. ###  
Celtel (Mauritius) Holdings Limited  
Celtel Niger S.A.  
Channel Sea Management Company (Mauritius) Limited  
Congo RDC Towers S.A.  
Congo Towers S.A. #  
Gabon Towers S.A. ##  
Indian Ocean Telecom Limited  
Kenya Towers Limited ###  
Madagascar Towers S.A.  
Malawi Towers Limited  
Mobile Commerce Congo S.A.  
Montana International  
MSI-Celtel Nigeria Limited ##  
Network i2i Limited  
Niger Towers S.A. ###  
Partnership Investment Sprl  
Société Malgache de Téléphone Cellulaire S.A.  
Tanzania Towers Limited  
Tchad Towers S.A. #  
Towers Support Nigeria Limited ##  
Uganda Towers Limited ###  
Warid Telecom Uganda Limited (Merged with Airtel Uganda Limited w.e.f. July 31, 2016)  
Zambian Towers Limited ###  
Zap Trust Company Nigeria Limited ##

## Associates

### - Indian

Seynse Technologies Private Limited (Stake acquired on February 21, 2017)

### - Foreign

Tanzania Telecommunications Company Ltd ('TTCL') (Stake sold on June 23, 2016)  
Seychelles Cable Systems Company Limited  
Robi Axiata Limited (stake acquired w.e.f. November 16, 2016)

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Joint Ventures

### - Indian

Indus Towers Limited  
Firefly Networks Limited  
Forum I Aviation Limited (Investment sold on January 7, 2016)

### - Foreign

Bridge Mobile Pte Limited

## Entities having significant influence over the Company

### - Indian

Bharti Telecom Limited

### - Foreign

Singapore Telecommunications Limited  
Pastel Limited

## Others related parties\*

### i) Key Management Personnel and their relatives exercise significant influence

#### - Indian

Bharti Foundation  
Bharti Airtel Employees Welfare Trust  
Hike Private Limited (formerly known as Hike Limited)  
Cedar Support Services Limited

### ii) Group Companies

#### - Indian

Brightstar Telecommunication India Limited (formerly known as Beetel Teletech Limited)

Bharti Axa General Insurance Company Limited  
Bharti Axa Life Insurance Company Limited  
Bharti Realty Holdings Limited  
Bharti Realty Limited  
Future Retail Limited (ceased w.e.f. May 01, 2016)  
Deber Technologies Private Limited (formerly known as Ignite World Private 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  
Nile Tech Limited  
Y2CF Digital Media Limited  
Bharti Enterprises Limited  
Atrium Restaurants India Private Limited  
Bharti Land Limited  
Centum Work skills India Limited  
Oak Infrastructure Developers Limited  
Gourmet Investments Private Limited

## Key Management Personnel ('KMP')

Sunil Bharti Mittal  
Gopal Vittal

\* 'Other related parties' though not 'Related Parties' as per the definition under IND AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices.

# Dissolved during the year ended March 31, 2017.

## Under liquidation.

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

^ Refer note 5.



## Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The summary of transactions with the above mentioned parties is as follows:

Particulars	For the Year ended					
	March 31, 2017			March 31, 2016		
	Subsidiaries	Joint Ventures	Associates	Entities having significant influence	Other related parties	
Purchase of fixed assets/bandwidth	4,119	-	-	-	2,705	3,729
Sale of fixed assets/IRU given	799	-	-	-	-	1,026
Purchase of investments*	85,425	-	-	-	-	111,858
Sale of Investments	96,809	-	-	-	-	3
Rendering of Services	22,680	49	3	1,383	285	20,957
Receiving of services	48,818	40,423	12	211	2,729	46,759
Fund transferred/expenses incurred on behalf of others	2,647	11	-	-	0	2,554
Fund received/expenses incurred on behalf of the Company	169	-	-	-	116	169
Donation	-	-	-	-	921	-
Security deposit given/advances paid	24	136	-	-	37	50
Advance received/refund of Security deposit given	3	50	-	0	-	7
Loans given	98,566	-	-	-	-	14,755
Repayment of loans given*	91,562	-	-	-	156	26,503
Interest charged by others	-	-	-	-	-	6
Interest charged by the Company	804	0	-	-	-	707
Reimbursement of energy expenses	13,742	24,614	-	-	-	12,456
Guarantees and collaterals given # (Including performance guarantees)	709,615	-	-	-	-	799,179
Dividend Paid	-	-	-	3,255	364	-
Dividend Income	16,512	-	-	-	-	9,470

\* Includes loan converted into equity investments.

# mainly pertains to BAIN

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The significant related party transactions are summarised below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Rendering of Services</b>		
<b>Subsidiaries</b>		
Bharti Hexacom Limited	9,802	8,244
Bharti Airtel (UK) Limited	9,597	8,787
<b>Receiving of Services</b>		
<b>Subsidiaries</b>		
Bharti Hexacom Limited	4,526	3,353
Bharti Infratel Limited	20,543	19,426
Bharti Airtel (UK) Limited	9,366	7,763
Telesonic Networks Limited	4,408	4,317
<b>Joint Venture of subsidiary</b>		
Indus Towers Limited	40,369	36,765
<b>Reimbursement of energy expenses</b>		
<b>Subsidiary</b>		
Bharti Infratel Limited	13,742	12,456
<b>Joint Venture of subsidiary</b>		
Indus Towers Limited	24,614	21,988
<b>Loans given</b>		
<b>Subsidiaries</b>		
Bharti Telemedia Limited	23,357	13,592
Nettle Infrastructure Investments Limited	68,140	-
<b>Repayment of Loans given</b>		
<b>Subsidiaries</b>		
Bharti Telemedia Limited	42,563	26,079
Bharti Airtel International (Netherlands) B.V.	33,788	-
Bharti International (Singapore) Pte Limited *	9,357	-
* loan conversion into equity		
<b>Purchase of investments</b>		
<b>Subsidiaries</b>		
Bharti Airtel International (Mauritius) Limited	14,620	110,155
Network i2i Limited	50,825	-
<b>Sale of investment</b>		
<b>Subsidiary</b>		
Nettle Infrastructure Investments Limited	68,060	-
<b>Dividend income</b>		
<b>Subsidiaries</b>		
Bharti Hexacom Limited	1,348	630
Bharti Infratel Limited	15,164	8,840
<b>Dividend paid</b>		
<b>Entity having significant influence over the Company</b>		
Bharti Telecom Limited	2,451	3,886

The outstanding balances are as follows:

Particulars	Subsidiaries	Joint ventures	Associates	Entities having significant influence	Other related parties
<b>As of March 31, 2017</b>					
Trade Payables	(5,342)	(10,563)	(10)	(223)	(410)
Trade Receivables	748	1	0	0	69
Loans (including accrued interest) *	72,699	5	0	0	352
Security Deposit	2,602	3,717	0	0	931
<b>As of March 31, 2016</b>					
Trade Payables	(6,010)	(8,115)	0	(120)	(403)
Trade Receivables	1,301	0	0	0	212
Loans (including accrued interest) *	62,766	5	0	0	559
Security Deposit	2,580	3,631	0	0	894
<b>As of April 1, 2015</b>					
Trade Payables	(5,720)	(7,740)	0	(32)	(420)
Trade Receivables	1,954	0	114	0	157
Loans (including accrued interest) *	74,383	0	466	0	98
Security Deposit	2,537	3,513	0	0	901

\* Refer note 38 III. 5.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Outstanding balances at period end are un-secured and settlement occurs in cash.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-Term employee benefits	250	223
Performance linked Incentive ('PLI')#	118	94
Post-employment benefit	26	24
Share-based payment	62	57
	<b>456</b>	<b>398</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 ₹ 28 and ₹ 29 has been recorded in the books towards PLI for the year ended March 31, 2017 and March 31, 2016, respectively. During the year ended March 31, 2017 and 2016, PLI of ₹ 116 and ₹ 143 respectively pertaining to previous year has been paid.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

In addition to above ₹ 313 thousand and ₹ 322 thousand have been paid as equity divided to key management personnel during the year ended March 31, 2017 and March 31, 2016 respectively.

The Company has agreed to ensure appropriate financial support only if and to the extent required by its subsidiaries (namely, Bharti Airtel Services Limited, Bharti Telemedia Limited, Airtel Payments Bank Limited, Bharti Teleports Limited, Nxtra Data Limited, Bharti Airtel (Hongkong) Limited, Bharti Airtel Lanka (Private) Limited and Bharti Airtel International (Netherlands) B.V. including its subsidiaries).

## 33 Financial and Capital risk

### 1. Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Company is driven by the Company's senior management ('GSM'), in close co-ordination with the operating entities

and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BOD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

### (i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer Note 17. Further, for the details as to the fair value of various outstanding derivative financial instruments, refer Note 34.

### Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

Particulars	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2017</b>			
US Dollars	+5%	(5,244)	-
	-5%	5,244	-
Others	+5%	(2)	-
	-5%	2	-
<b>For the year ended March 31, 2016</b>			
US Dollars	+5%	(7,664)	-
	-5%	7,664	-
Others	+5%	8	-
	-5%	(8)	-

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD denominated borrowings, derivative financial instruments, trade payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

## (ii) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income

and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings.

## Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

## Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
<b>For the year ended March 31, 2017</b>		
INR - borrowings	+100	(468)
	-100	468
US Dollar -borrowings	+100	(228)
	-100	228
<b>For the year ended March 31, 2016</b>		
INR - borrowings	+100	(30)
	-100	30
US Dollar -borrowings	+100	(448)
	-100	448

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings in INR, USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

## (iii) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, government securities and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

## (iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration

risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables, and derivative financial instruments.

## Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Company's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which



## Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

comprise a very large numbers of small balances. Refer note 14 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired (excluding unbilled)	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2017	15,997	8,624	3,970	3,203	324	32,118
Trade Receivables as of March 31, 2016	16,885	9,189	2,651	2,165	833	31,724
Trade Receivables as of April 1, 2015	21,097	8,702	858	1,910	480	33,047

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

### Financial instruments and cash deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

### (v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer Note 17.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

Particulars	As of March 31, 2017						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	603,759	265	72,941	31,725	70,808	732,139	907,878
Other financial liabilities#	76,143	2,538	51,724	-	-	21,881	76,143
Trade payables	149,698	-	149,698	-	-	-	149,698
<b>Financial liabilities (excluding derivatives)</b>	<b>829,600</b>	<b>2,803</b>	<b>274,363</b>	<b>31,725</b>	<b>70,808</b>	<b>754,020</b>	<b>1,133,719</b>
Derivative assets	847	-	536	98	44	169	847
Derivative liabilities	(1,848)	-	(1,319)	(343)	(58)	(128)	(1,848)
<b>Net derivatives</b>	<b>(1,001)</b>	<b>-</b>	<b>(783)</b>	<b>(245)</b>	<b>(14)</b>	<b>41</b>	<b>(1,001)</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Particulars	As of March 31, 2016						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	456,167	3,036	11,338	30,859	69,284	614,419	<b>728,936</b>
Other financial liabilities#	98,344	2,602	75,006	-	-	20,736	<b>98,344</b>
Trade payables	119,706	-	119,706	-	-	-	<b>119,706</b>
<b>Financial liabilities (excluding derivatives)</b>	<b>674,217</b>	<b>5,638</b>	<b>206,050</b>	<b>30,859</b>	<b>69,284</b>	<b>635,155</b>	<b>946,986</b>
Derivative assets	858	-	387	75	243	153	<b>858</b>
Derivative liabilities	(704)	-	(572)	(124)	(3)	(5)	<b>(704)</b>
<b>Net derivatives</b>	<b>154</b>	<b>-</b>	<b>(185)</b>	<b>(49)</b>	<b>240</b>	<b>148</b>	<b>153</b>

Particulars	As of April 1, 2015						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	213,876	-	14,171	7,550	38,208	273,711	<b>333,640</b>
Other financial liabilities#	84,726	2,722	62,291	-	-	19,713	<b>84,726</b>
Trade payables	105,769	-	105,769	-	-	-	<b>105,769</b>
<b>Financial liabilities (excluding derivatives)</b>	<b>404,371</b>	<b>2,722</b>	<b>182,231</b>	<b>7,550</b>	<b>38,208</b>	<b>293,424</b>	<b>524,135</b>
Derivative assets	322	-	116	52	86	68	<b>322</b>
Derivative liabilities	(344)	-	(158)	(65)	(112)	(9)	<b>(344)</b>
<b>Net derivatives</b>	<b>(22)</b>	<b>-</b>	<b>(42)</b>	<b>(13)</b>	<b>(26)</b>	<b>59</b>	<b>(22)</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

# Interest accrued but not due of ₹ 1,409, ₹ 1,164 and ₹ 237 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively, has been included in interest bearing borrowings and excluded from other financial liabilities.

The Company from time to time in its usual course of business guarantees certain indebtedness of its subsidiaries. Accordingly, as of March 31, 2017, March 31, 2016 and April 1, 2015 company has issued corporate guarantee for debt of ₹ 340,855, ₹ 393,128 and ₹ 433,987, respectively. The outflow in respect of these guarantees arises only on any default/non-performance of the subsidiary with respect to the guaranteed debt and substantial amount of such loans are due for payment after two years from the reporting date.

## 2. Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed

by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Borrowings	602,350	455,003	213,639
Less: Cash and Cash Equivalents	1,087	466	3,852
<b>Net Debt</b>	<b>601,263</b>	<b>454,537</b>	<b>209,787</b>
Equity	1,012,073	1,117,291	1,057,382
<b>Total Capital</b>	<b>1,012,073</b>	<b>1,117,291</b>	<b>1,057,382</b>
<b>Capital and Net Debt</b>	<b>1,613,336</b>	<b>1,571,828</b>	<b>1,267,169</b>
<b>Gearing Ratio</b>	<b>37.3%</b>	<b>28.9%</b>	<b>16.6%</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 34 Fair Value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

Particulars	Level	Carrying Value as of			Fair Value as of		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Financial Assets</b>							
<b>FVTPL</b>							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	187	549	215	187	549	215
- Interest rate swaps		106	-	-	106	-	-
- Embedded derivatives	Level 2	554	309	107	554	309	107
Investments	Level 1	-	-	47,550	-	-	47,550
Investments	Level 2	52	60	69	52	60	69
<b>Amortised cost</b>							
Loans and security deposits	Level 2	82,470	72,237	83,444	82,470	72,237	83,444
Trade receivables	Level 2	32,118	31,724	33,047	32,118	31,724	33,047
Cash and cash equivalents	Level 1	1,087	466	3,852	1,087	466	3,852
Other financial assets	Level 2	9,328	14,557	10,152	9,328	14,557	10,152
		<b>125,902</b>	<b>119,902</b>	<b>178,436</b>	<b>125,902</b>	<b>119,902</b>	<b>178,436</b>
<b>Financial Liabilities</b>							
<b>FVTPL</b>							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	1,848	596	111	1,848	596	111
- Embedded derivatives	Level 2	-	108	233	-	108	233
<b>Amortised cost</b>							
Borrowings- fixed rate	Level 1	64,082	65,402	-	65,008	67,469	-
Borrowings- fixed rate	Level 2	456,153	343,395	143,330	490,251	353,949	143,330
Borrowings- floating rate	Level 2	82,115	46,206	70,309	82,115	46,206	70,309
Trade payables	Level 2	149,698	119,706	105,769	149,698	119,706	105,769
Other financial liabilities	Level 2	77,552	99,508	84,963	77,552	99,508	84,963
		<b>831,448</b>	<b>674,921</b>	<b>404,715</b>	<b>866,472</b>	<b>687,542</b>	<b>404,715</b>

The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The fair value of long-term borrowings and non-current financial assets / liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

- The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

Following table describes the valuation techniques used and key inputs thereto for the Level 2 financial assets / liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

Financial assets / liabilities	Valuation technique	Inputs used
- Currency swaps, forward and option contracts	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Interest swaps	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates.
- Embedded derivatives	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Investments	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates.
- Other financial assets	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Financial assets / liabilities	Valuation technique	Inputs used
- Other borrowings- fixed rate	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.
- Other financial liabilities	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.

## 35 Auditor's remuneration

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
- Audit fee*	76	78
- Reimbursement of expenses*	6	6
- As advisor for taxation matters*	0	-
- Other services*	9	18
	<b>91</b>	<b>102</b>

\*Excluding service tax

## 36 Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

Sr No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	The principal amount and the interest due thereon [₹ Nil (March 31, 2016 – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	10	32
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	96	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	0	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

## 37 Other Matters

- (i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹ 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The

Company therefore has filed appeal against the said order with division bench and is currently pending.

- (ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

## 38 Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

- I. Balance sheet reconciliations as of April 1, 2015
- II a. Balance sheet reconciliations as of March 31, 2016
- II b. Reconciliations of statement of profit and loss for the year ended March 31, 2016
- III. Notes to the balance sheet and statement of profit and loss reconciliations
- IV. Explanation of material adjustments to statement of cash flows



# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## I. Balance sheet reconciliation as of April 1, 2015

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustment	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1 / 2 / 3	256,552	1,604	258,156
Capital work-in-progress	2	26,561	337	26,898
Intangible assets		277,892	-	277,892
Intangible assets under development		64,108	-	64,108
Investment in subsidiaries, joint ventures and associates	4 / 5	383,908	268,570	652,478
<b>Financial Assets</b>				
- Investments	7	52	-	52
- Derivative instruments	6	-	154	154
- Loans and security deposits	3 / 5	49,650	(6,758)	42,892
- Others		487	-	487
Deferred tax assets (net)	10	27,935	(694)	27,241
Other non-current assets	3	17,041	-	17,041
		<b>1,104,186</b>	<b>263,213</b>	<b>1,367,399</b>
<b>Current assets</b>				
Inventories		94	-	94
<b>Financial Assets</b>				
- Investments	7	47,211	356	47,567
- Derivative instruments	6	-	168	168
- Trade receivables		33,047	-	33,047
- Cash and cash equivalents		3,852	-	3,852
- Loans		40,552	-	40,552
- Others		9,665	-	9,665
Other current assets		12,864	81	12,945
		<b>147,285</b>	<b>605</b>	<b>147,890</b>
<b>Total Assets</b>		<b>1,251,471</b>	<b>263,818</b>	<b>1,515,289</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Shares capital		19,987	-	19,987
Other Equity		762,743	274,652	1,037,395
		<b>782,730</b>	<b>274,652</b>	<b>1,057,382</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		194,209	-	194,209
- Derivative instruments	6	126	(5)	121
- Others		19,713	-	19,713
Deferred revenue	3	16,012	(125)	15,887
Provisions	1	1,969	(43)	1,926
		<b>232,029</b>	<b>(173)</b>	<b>231,856</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		6,259	-	6,259
- Current maturities of long term borrowings		13,171	-	13,171
- Derivative instruments	6	126	97	223
- Trade payables		105,890	(121)	105,769
- Others	3	65,328	(78)	65,250
Deferred revenue	3	28,604	122	28,726
Provisions		1,174	-	1,174
Current tax liabilities (net)		507	-	507
Other current liabilities	8	15,653	(10,681)	4,972
		<b>236,712</b>	<b>(10,661)</b>	<b>226,051</b>
<b>Total Liabilities</b>		<b>468,741</b>	<b>(10,834)</b>	<b>457,907</b>
<b>Total Equity and Liabilities</b>		<b>1,251,471</b>	<b>263,818</b>	<b>1,515,289</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## II a. Balance sheet reconciliation as of March 31, 2016

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustment	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1 / 2 / 3	311,563	1,110	312,673
Capital work-in-progress	2	28,251	337	28,588
Intangible assets		606,582	-	606,582
Intangible assets under development		9,715	-	9,715
Investment in subsidiaries, joint ventures and associates	4 / 5	430,209	268,704	698,913
<b>Financial assets</b>				
- Investments	7	52	-	52
- Derivative instruments	6	-	396	396
- Loans and security deposits	3 / 5	33,199	(4,338)	28,861
- Others		598	-	598
Deferred tax assets (net)	10	23,503	(433)	23,070
Other non-current assets	3	26,622	-	26,622
		<b>1,470,294</b>	<b>265,776</b>	<b>1,736,070</b>
<b>Current assets</b>				
Inventories		53	-	53
<b>Financial assets</b>				
- Investments		8	-	8
- Derivative instruments	6	-	462	462
- Trade receivables		31,724	-	31,724
- Cash and cash equivalents		466	-	466
- Loans		43,376	-	43,376
- Others		13,959	-	13,959
Current tax assets (net)		820	-	820
Other current assets		23,483	(141)	23,342
		<b>113,889</b>	<b>321</b>	<b>114,210</b>
<b>Total Assets</b>		<b>1,584,183</b>	<b>266,097</b>	<b>1,850,280</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Shares capital		19,987	-	19,987
Other Equity		824,481	272,823	1,097,304
		<b>844,468</b>	<b>272,823</b>	<b>1,117,291</b>
<b>Non-current Liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		414,622	(52)	414,570
- Derivative instruments	6	11	(3)	8
- Others		20,736	-	20,736
Deferred revenue	3	17,110	(126)	16,984
Provisions	1	2,262	(39)	2,223
		<b>454,741</b>	<b>(220)</b>	<b>454,521</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		6,961	38	6,999
- Current maturities of long-term borrowings		33,434	-	33,434
- Derivative instruments	6	108	588	696
- Trade payables		120,280	(574)	119,706
- Others	3	78,907	(135)	78,772
Deferred revenue	3	29,364	121	29,485
Provisions		1,189	-	1,189
Other current liabilities	8	14,731	(6,544)	8,187
		<b>284,974</b>	<b>(6,506)</b>	<b>278,468</b>
<b>Total Liabilities</b>		<b>739,715</b>	<b>(6,726)</b>	<b>732,989</b>
<b>Total Equity and Liabilities</b>		<b>1,584,183</b>	<b>266,097</b>	<b>1,850,280</b>

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## II b. Reconciliation of Statement of profit and loss for the year ended March 31, 2016

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustment	Ind AS
<b>Income</b>				
Revenue from operations		603,002	1	603,003
Other Income		1,729	-	1,729
<b>Total Income</b>		<b>604,731</b>	<b>1</b>	<b>604,732</b>
<b>Expenses</b>				
Network operating expenses	3	137,540	349	137,889
Access charges		80,236	-	80,236
License fee / spectrum charges (revenue share)		69,635	-	69,635
Employee benefits	9	18,693	(45)	18,648
Sales and marketing Expenses		32,824	-	32,824
Other expenses	3	39,610	30	39,640
<b>Total Expenses</b>		<b>378,538</b>	<b>334</b>	<b>378,872</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>		<b>226,193</b>	<b>(333)</b>	<b>225,860</b>
Depreciation and amortisation expense	1 / 2 / 3	95,431	322	95,753
Finance costs	1 / 3 / 6 / 7	35,002	451	35,453
Finance income	3 / 5 / 6 / 7	(12,458)	(3,250)	(15,708)
Non operating expense		1,019	-	1,019
<b>Profit before exceptional items and tax</b>		<b>107,199</b>	<b>2,144</b>	<b>109,343</b>
Exceptional items		6,799	-	6,799
<b>Profit before tax</b>		<b>100,400</b>	<b>2,144</b>	<b>102,544</b>
<b>Tax expenses</b>				
Current tax		20,558	-	20,558
Deferred tax	10	4,376	(193)	4,183
<b>Profit for the year</b>		<b>75,466</b>	<b>2,337</b>	<b>77,803</b>
<b>Other comprehensive income ('OCI') :</b>				
Items not to be reclassified to profit or loss :				
Re-measurement losses on defined benefit plans	9	-	(46)	(46)
Income tax credit	9	-	12	12
<b>Other comprehensive loss for the year</b>		<b>-</b>	<b>(34)</b>	<b>(34)</b>
<b>Total comprehensive income for the year</b>		<b>75,466</b>	<b>2,303</b>	<b>77,769</b>

## III. Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

### 1. Asset retirement obligations ('ARO')

Under previous GAAP, ARO is initially measured at the expected cost to settle the obligation. Under Ind AS, the ARO is initially measured at the present value of expected cost to settle the obligation. The Company accordingly has recognized the adjustment to the cost of fixed assets and the consequent depreciation and finance cost. The corresponding impact on the date of transition has been recognised in equity.

### 2. Foreign exchange gain / losses

Under previous GAAP, certain foreign exchange gains or losses on foreign currency denominated liabilities were capitalized into the carrying value of fixed assets until March 31st 2008. Under Ind AS, such gains and losses are not allowed to be capitalised. The Company accordingly has recognised the adjustment to the cost of fixed assets and the consequent depreciation. The corresponding impact on the date of transition has been considered in equity.

### 3. Non-current financial assets / liabilities

Under previous GAAP, certain non-current financial assets / liabilities which were measured at cost / best estimate of the expenditure required to settle the obligation, at the balance sheet date without considering the effect of discounting whereas these are measured at the present value on the balance sheet date under Ind AS. Accordingly, the Company has recognised the adjustment to the respective carrying amount and the consequent impact on finance cost / finance income due to the unwinding of the discounting impact. The corresponding impact on the date of transition has been recognised in equity.

### 4. Investment in subsidiaries – deemed cost exemption

Under previous GAAP, investments in subsidiaries were measured at cost. Under Ind AS, the Company has elected the option of fair value the investments in certain subsidiaries basis the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these Investments ('deemed cost').

### 5. Fair valuation of loans

Under previous GAAP, interest free loans given by Parent to its subsidiaries are not required to be fair valued on

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

initial recognition and hence these were recognised at the amount of loan given. Under Ind AS, such loans are measured at fair value on initial recognition basis discounting at market interest rates and the difference is accounted as investment in respective subsidiary. The consequent unwinding of discounted fair value is recognised as interest income in the statement of profit and loss with the corresponding increase in loans.

## 6. Derivatives

Under previous GAAP, derivative contracts are measured at fair value at each balance sheet date with the changes over the previous carrying amount being recognised in the statement of profit and loss, but recognition of increase in the fair value is restricted only to the extent it represents any subsequent reversal of previously recognised losses. Under Ind AS, the entire changes the fair values of derivative contracts are recognised in statement of profit and loss in the year of change.

## 7. Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL and the changes in fair value are recognised in statement of profit and loss. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

## 8. Proposed dividend

Under previous GAAP, dividend on equity shares recommended by the board of directors ('proposed dividend') was recognised as a liability in the financial statements in the period to which it relates. Under Ind AS, such dividend is recognised as a liability when approved by the shareholders in the general meeting. The Company accordingly, has de-recognised the proposed dividend liability with the corresponding increase being recognised in equity.

## 9. Remeasurement differences

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind AS. Under previous GAAP, the remeasurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said remeasurement differences net of the related tax impact are recognised in other comprehensive income.

## 10. Deferred Taxes

Under Ind AS, the Company has recognised the consequential deferred tax implications on the impact on account of adjustments explained above.

## IV. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statement of cash flows presented under Ind AS and the previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.



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# Independent Auditor's Report

## To the Members of Bharti Airtel Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bharti Airtel Limited ('the Holding Company'), its subsidiaries (together referred to as "the Group"), its associates and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statement").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entities and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a associate and a jointly controlled entity, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2017, their consolidated profit including other comprehensive loss, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 26(i)(f)(v) to these consolidated Ind AS financial statements which, describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, an associate and a jointly controlled entity, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

# Independent Auditor's Report

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015 and the Companies (Indian Accounting Standards) Rules, 2016 issued by Ministry of Corporate Affairs;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, an associate company and jointly controlled company incorporated in India, none of the directors of the Group's companies, its associate and jointly controlled companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 23 to the consolidated Ind AS financial statements;
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 11 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit in respect of its associates;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India during the year ended March 31, 2017.

- iv. The Company has provided requisite disclosures in Note 17 to these Ind AS consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by those entities as produced to us by the management of the respective Group entities.

## Other Matter

We did not audit the financial statements of the joint venture included herein with the Company's share of profit in joint venture of ₹ 11,083 Mn for the year ended March 31, 2017. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management. Our opinion in so far as it relates to the affairs of such joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture is based solely on the report of such other auditors. Our opinion is not qualified in respect of this matter.

These consolidated Ind AS financial statements include the Company's share of losses for the post-merger period effective November 16, 2016 in an associate of ₹ 1,182 Mn for the year ended March 31, 2017. These financial statements and other financial information are audited upto period ended December 31, 2016 and unaudited for three months period ended March 31, 2017 and have been furnished to us by the management based on management accounts of the associate pending approval of its quarterly accounts. Our opinion in so far as it relates to the affairs of such associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such audited and unaudited financial statements and other unaudited financial information for the period ended December 31, 2016 and March 31, 2017 respectively.

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

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

**per Nilangshu Katriar**  
Partner  
Membership Number: 58814

Place: New Delhi  
Date: May 9, 2017

# Independent Auditor's Report

## **Annexure 1 To the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Bharti Airtel Limited**

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

#### **To the Members of Bharti Airtel Limited**

In conjunction with our audit of the consolidated Ind AS financial statements of Bharti Airtel Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

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

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

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph

below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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

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

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

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

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to the jointly controlled company, which is Company incorporated in India, is based on the corresponding reports of the auditors of such jointly controlled company incorporated in India.

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar  
Partner  
Membership Number: 58814

Place: New Delhi  
Date: May 9, 2017



## Consolidated Balance Sheet

(All amounts are in millions of Indian Rupees)

Particulars	Notes	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	620,088	610,508	543,936
Capital work-in-progress	6	23,942	47,304	48,702
Goodwill	7	338,082	428,381	414,823
Other intangible assets	7	824,181	684,039	341,718
Intangible assets under development	7	84,443	9,716	118,487
Investment in joint ventures and associates	8	82,277	60,990	51,936
<b>Financial assets</b>				
- Investments	10	44,187	28,622	31,310
- Derivative instruments	11	4,732	13,999	7,303
- Security deposits	12	9,630	10,441	9,529
- Others	13	16,653	17,502	8,031
Deferred tax assets (net)	14	26,262	46,738	59,502
Other non-current assets	15	49,875	70,440	75,684
		<b>2,124,352</b>	<b>2,028,680</b>	<b>1,710,961</b>
<b>Current assets</b>				
Inventories		488	1,692	1,339
<b>Financial assets</b>				
- Investments	10	16,923	16,159	84,017
- Derivative instruments	11	2,060	4,765	1,207
- Trade receivables	16	49,838	55,039	51,961
- Cash and cash equivalents	17	12,817	37,087	11,721
- Bank deposits	17	3,360	13,900	8,823
- Others	13	52,105	32,511	25,171
Current tax assets		21,454	11,570	5,721
Other current assets	15	44,105	48,827	32,196
Assets-held-for-sale	18	-	7,002	32,618
		<b>203,150</b>	<b>228,552</b>	<b>254,774</b>
<b>Total Assets</b>		<b>2,327,502</b>	<b>2,257,232</b>	<b>1,965,735</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	19	19,987	19,987	19,987
Other equity		654,576	647,706	610,603
<b>Equity attributable to owners of the Parent</b>		<b>674,563</b>	<b>667,693</b>	<b>630,590</b>
Non-controlling interests ('NCI')		68,750	54,981	51,613
		<b>743,313</b>	<b>722,674</b>	<b>682,203</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	21	896,373	892,686	591,575
- Derivative instruments	11	2,726	8	164
- Others	22	15,681	16,084	14,537
Deferred revenue		22,335	17,787	17,917
Provisions	23	7,471	7,350	7,648
Deferred tax liabilities (net)	14	9,429	12,512	13,077
Other non-current liabilities	24	727	1,527	1,466
		<b>954,742</b>	<b>947,954</b>	<b>646,384</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	21	129,442	57,238	86,680
- Current maturities of long-term borrowings	21	48,466	54,602	125,366
- Derivative instruments	11	2,335	1,931	628
- Trade payables	25	268,537	255,806	215,896
- Others	22	88,808	131,180	127,306
Deferred revenue		48,785	51,336	50,074
Provisions	23	2,215	2,332	2,066
Current tax liabilities (net)		6,089	9,296	9,271
Other current liabilities	24	34,770	21,844	15,898
Liabilities-held-for-sale	18	-	1,039	3,963
		<b>629,447</b>	<b>586,604</b>	<b>637,148</b>
<b>Total Liabilities</b>		<b>1,584,189</b>	<b>1,534,558</b>	<b>1,283,532</b>
<b>Total Equity and Liabilities</b>		<b>2,327,502</b>	<b>2,257,232</b>	<b>1,965,735</b>

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004per Nilangshu Katriar  
Partner  
Membership No: 58814

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal  
Chairman  
DIN: 00042491Gopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778Place: New Delhi  
Date: May 9, 2017Nilanjan Roy  
Global Chief Financial Officer

# Consolidated Statement of Profit and Loss

(All amounts are in millions of Indian Rupees; except per share data)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Income</b>			
Revenue from operations	27	954,683	965,321
Other income		1,206	871
		<b>955,889</b>	<b>966,192</b>
<b>Expenses</b>			
Network operating expenses	29	209,154	201,567
Access charges		102,786	109,423
License fee / spectrum charges (revenue share)		92,760	94,928
Employee benefits	28	43,032	49,108
Sales and marketing expenses	29	71,400	82,410
Other expenses	29	82,253	88,043
		<b>601,385</b>	<b>625,479</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>		<b>354,504</b>	<b>340,713</b>
Share of results of joint ventures and associates	8	(10,449)	(10,666)
Depreciation and amortisation	30	197,730	174,498
Finance costs	31	95,466	85,461
Finance income	31	(18,492)	(16,326)
Non-operating expense (net)	32	1,319	1,024
<b>Profit before exceptional items and tax</b>		<b>88,930</b>	<b>106,722</b>
Exceptional items	33	11,697	(21,741)
<b>Profit before tax</b>		<b>77,233</b>	<b>128,463</b>
<b>Tax expense</b>			
Current tax	14	21,240	44,690
Deferred tax	14	13,579	14,843
<b>Profit for the year</b>		<b>42,414</b>	<b>68,930</b>
<b>Other comprehensive income ('OCI')</b>			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(41,424)	(4,920)
Net losses on net investments hedge		(10,330)	(7,108)
Net gains / (losses) on cash flow hedge		857	(724)
Net gains on fair value through OCI investments		107	9
Income tax (charge) / credit	14	(16)	503
		<b>(50,806)</b>	<b>(12,240)</b>
Items not to be reclassified to profit or loss :			
Re-measurement losses on defined benefit plans	28	(73)	(129)
Share of joint ventures and associates	8	(9)	(4)
Income tax credit		20	25
		<b>(62)</b>	<b>(108)</b>
<b>Other comprehensive loss for the year</b>		<b>(50,868)</b>	<b>(12,348)</b>
<b>Total comprehensive (loss) / gain for the year</b>		<b>(8,454)</b>	<b>56,582</b>
<b>Profit for the year attributable to :</b>		<b>42,414</b>	<b>68,930</b>
Owners of the Parent		37,998	60,767
Non-controlling interests		4,416	8,163
<b>Other comprehensive loss for the year attributable to :</b>		<b>(50,868)</b>	<b>(12,348)</b>
Owners of the Parent		(48,655)	(11,977)
Non-controlling interests		(2,213)	(371)
<b>Total comprehensive (loss) / gain for the year attributable to :</b>		<b>(8,454)</b>	<b>56,582</b>
Owners of the Parent		(10,657)	48,790
Non-controlling interests		2,203	7,792
<b>Earnings per share (In Rupees) (Face value ₹ 5/- each)</b>			
Basic	34	9.51	15.21
Diluted	34	9.51	15.20

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004

per Nilangshu Katriar  
Partner  
Membership No: 58814

Place: New Delhi  
Date: May 9, 2017

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal  
Chairman  
DIN: 00042491

Gopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778

Nilanjan Roy  
Global Chief Financial Officer

## Consolidated Statement of Changes in Equity

(All amounts are in millions of Indian Rupees; except per share data)

Particulars	Equity attributable to owners of the Parent									Non-controlling interests	Total equity
	Share capital		Other equity								
	No of shares (in '000)	Amount	Reserves and surplus					Other components of equity (Note 20)	Total		
			Share premium	Retained earnings (Note 20)	General reserve	Share-based payment reserve	Transactions with NCI reserve				
As of April 1, 2015	3,997,400	19,987	123,456	404,792	27,030	4,805	50,634	(114)	610,603	51,613	682,203
Profit for the year	-	-	-	60,767	-	-	-	-	60,767	8,163	68,930
Other comprehensive loss	-	-	-	(108)	-	-	-	(11,869)	(11,977)	(371)	(12,348)
Total comprehensive income / (loss)	-	-	-	60,659	-	-	-	(11,869)	48,790	7,792	56,582
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	237	-	-	237	11	248
NCI arising on a business combination	-	-	-	-	-	-	-	-	-	(16)	(16)
Purchase of treasury shares	-	-	-	-	-	-	-	(514)	(514)	-	(514)
Exercise of share options	-	-	-	-	-	127	-	104	231	338	569
Transaction with NCI	-	-	-	-	-	-	531	-	531	453	984
Dividend paid (including tax) to Company's shareholders	-	-	-	(10,679)	-	-	-	-	(10,679)	-	(10,679)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	(4,625)	(4,625)
Movement on account of court approved schemes	-	-	-	(1,493)	-	-	-	-	(1,493)	(585)	(2,078)
As of March 31, 2016	3,997,400	19,987	123,456	453,279	27,030	5,169	51,165	(12,393)	647,706	54,981	722,674
Profit for the year	-	-	-	37,998	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	-	-	-	37,936	-	-	-	(48,593)	(10,657)	2,203	(8,454)
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	3,997,400	19,987	123,456	483,638	27,030	4,065	77,216	(60,829)	654,576	68,750	743,313

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W / E300004per Nilangshu Katriar  
Partner  
Membership No: 58814

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal  
Chairman  
DIN: 00042491Gopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778Place: New Delhi  
Date: May 9, 2017Nilanjan Roy  
Global Chief Financial Officer

# Consolidated Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>77,233</b>	<b>128,463</b>
<i>Adjustments for:</i>		
Depreciation and amortisation	197,730	174,498
Finance costs	95,466	85,461
Finance income	(18,492)	(16,326)
Share of results of joint ventures and associates	(10,449)	(10,666)
Exceptional items	(276)	(31,321)
Employee share-based payment expense	338	248
Other non-cash items	265	(143)
<b>Operating cash flow before changes in working capital</b>	<b>341,815</b>	<b>330,214</b>
<b>Changes in working capital</b>		
Trade receivables	13,001	12,656
Trade payables	9,633	(3,504)
Inventories	948	(872)
Provisions	(26)	(277)
Other financial and non financial liabilities	3,558	9,939
Other financial and non financial assets	(54,543)	(21,897)
<b>Net cash generated from operations before tax and dividend</b>	<b>314,386</b>	<b>326,259</b>
Dividend received	9,510	-
Income tax paid	(31,587)	(46,836)
<b>Net cash generated from operating activities (a)</b>	<b>292,309</b>	<b>279,423</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(223,030)	(193,313)
Proceeds from sale of property, plant and equipment	4,462	3,798
Purchase of intangible assets	(165,477)	(81,452)
Net movement in current investments	5,785	63,771
Purchase of non-current investments	(89,073)	(3,218)
Sale of non-current investments	82,557	7,642
Investment in subsidiaries, net of cash acquired	(283)	(135)
Sale of subsidiaries (refer note 5)	59,604	-
Sale of tower assets	7,120	56,821
Investment in associate	(250)	-
Proceeds from sale of interest in associate / joint venture (refer note 5)	447	55
Loan to joint venture / associate	-	(19)
Loan repayment received from joint venture / associate	-	14
Dividend received	279	118
Interest received	2,305	3,661
<b>Net cash used in investing activities (b)</b>	<b>(315,554)</b>	<b>(142,257)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	258,584	187,265
Repayment of borrowings	(274,608)	(309,656)
Net proceeds from short-term borrowings	25,377	4,558
Proceeds from sale and finance leaseback of towers	6,277	48,120
Repayment of finance lease liabilities	(3,899)	(2,593)
Purchase of treasury shares	-	(514)
Interest and other finance charges paid	(58,566)	(32,890)
Proceeds from exercise of share options	65	569
Dividend paid (including tax)	(9,168)	(15,304)
Proceeds from issuance of equity shares to NCI (refer note 5)	1,245	984
Sale of interest in a subsidiary (refer Note 5)	61,863	-
Purchase of shares from NCI (refer note 5)	(10,684)	-
<b>Net cash used in financing activities (c)</b>	<b>(3,514)</b>	<b>(119,461)</b>
<b>Net decrease in cash and cash equivalents during the year (a+b+c)</b>	<b>(26,759)</b>	<b>17,705</b>
Effect of exchange rate on cash and cash equivalents	(756)	1,343
Cash and cash equivalents as at beginning of the year	17,635	(1,413)
<b>Cash and cash equivalents as at end of the year (refer Note 17)</b>	<b>(9,880)</b>	<b>17,635</b>

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar  
Partner  
Membership No: 58814

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal  
Chairman  
DIN: 00042491

Gopal Vittal  
Managing Director  
& CEO (India & South Asia)  
DIN: 02291778

Place: New Delhi  
Date: May 9, 2017

Nilanjan Roy  
Global Chief Financial Officer



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in Note 35. For details as to the Group structure, refer Note 40.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA').

The said financial statements for the year ended March 31, 2017 are the first Ind AS financial statements of the Group. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101. For details, refer Note 2.3.

The financial statements are authorized for issue by the Company's Board of Directors on May 9, 2017.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

### 2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer Note 2.11 b), liability for cash-settled awards (refer Note 2.18), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer Note 2.11 d) - which are measured at fair value.

#### Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

**Level 1:** Quoted (unadjusted) prices for identical assets or liabilities in active markets

**Level 2:** Significant inputs to the fair value measurement are directly or indirectly observable

**Level 3:** Significant inputs to the fair value measurement are unobservable

### 2.3 Basis of transition to Ind AS

The adoption of Ind AS is carried out in accordance with Ind AS 101 on April 1, 2015 being the transition date. Ind AS 101 requires that all Ind AS standards that are issued and effective for the year ending March 31, 2017, be applied retrospectively and consistently for all the periods presented. However, in preparing these financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity at the transition date.

In these financial statements, the Group has presented three balance sheets - as of March 31, 2017, March 31, 2016 and April 1, 2015. The Group has also presented two statements of profit and loss, two statements of changes in equity and two statements of cash flows for the year ended March 31, 2017 and 2016 along with the necessary and related notes.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Ind AS 101 allows first-time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

## Exemptions / exceptions from full retrospective application

(i) The Group has elected to apply the following optional exemption from full retrospective application of Ind AS:

### (a) Foreign currency translation reserve exemption -

The Group has elected to reset all the cumulative translation differences to zero at the date of transition to Ind AS.

(ii) The following mandatory exceptions from retrospective application of Ind AS have been applied by the Group:

(a) **Estimates exception** - On an assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Group for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

(b) **De-recognition of financial assets and liabilities exception** - Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Group's equity, statement of profit and loss and statement of cash flow are provided in Note 41.

## 2.4 Basis of consolidation

### a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed

to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'reserve arising on transactions with NCI', a component of equity.

### b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

### c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis. Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

## 2.5 Business Combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the

combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

## 2.6 Foreign currency transactions

### a. Functional and presentation currency

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

### b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

### c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency

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translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

## 2.7 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

## 2.8 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be

measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives of different categories of PPE based on technical evaluation as follows:

Particulars	Years
Leasehold improvements	Period of lease or 10 -20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Plant and machinery	
- Network equipment	3 – 20
- Customer premise equipment	5-6
- Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Other equipment, operating and office equipment:	
Computer equipment	3
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress is presented separately in the balance sheet.

## 2.9 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 measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer Note 2.5). Goodwill is not amortised; however it is tested annually for impairment (refer Note 2.10) and carried at cost less any accumulated impairment losses. The gains/ (losses) on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The intangible assets that are acquired in a business combination are recognised at its fair value thereat. Other intangible assets are recognised at cost. These



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assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

## a. Softwares

Softwares are amortised over the period of license, generally not exceeding three years.

## b. Bandwidth

Bandwidth is amortised on straight-line basis over the period of the agreement.

## c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two years to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

## d. Other acquired intangible assets

Other acquired intangible assets include the following:

**Rights acquired for unlimited license access:** Over the period of the agreement which ranges upto five years.

**Distribution network:** One year to two years

**Customer base:** Over the estimated life of such relationships which ranges from one year to five years.

**Non-compete fee:** Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer Note 2.22), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

## 2.10 Impairment of non-financial assets

### a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit

('CGU') or group of CGUs, which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

The total impairment loss of a CGU is allocated first to reduce the carrying value of Goodwill allocated to that CGU and then to the other assets of that CGU - on pro-rata basis of the carrying value of each asset.

### b. Property, plant and equipment and Intangible assets

PPE and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses, if any, are recognised in statement of profit and loss.

### Reversal of impairment losses

An impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

## 2.11 Financial instruments

### a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business

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model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all the non-derivative financial liabilities measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / other financial liabilities host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## b. Measurement - Non-derivative financial instruments

### I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

### II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

#### i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

#### ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the

date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

#### iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains/losses arising from changes in the fair value.

### Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### III. Subsequent measurement - financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

## c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

## d. Hedging activities

### I. Fair value hedge

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to

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the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

## II. Cash flow hedge

Some of the group entities use certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further, the Group designates certain such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to an recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

## III. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognized in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

### e. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

## 2.12 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

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

### a. Group as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

### b. Group as a lessor

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

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a straight-line basis over the lease term.

The Group enters into 'Indefeasible right to use' arrangement wherein 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 remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

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## 2.13 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

### a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

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 on the basis of amounts expected to be paid to the tax authorities.

### b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is

presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

## 2.14 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

## 2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

## 2.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets that are carried at fair value. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for the held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation / amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.



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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 2.17 Share capital / Share premium / Treasury shares

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

## 2.18 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Group employees.

### a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

### b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on

plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

### c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

### d. Share-based payments

The Group operates equity-settled and cash-settled, employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service

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conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense 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 replacement award is substituted for the cancelled award, the arrangement is treated as a modification and accounted accordingly.

## 2.19 Provisions

### a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

### b. Asset Retirement Obligation ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

## 2.20 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

## 2.21 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair

value of the consideration received or receivable, which is generally the transaction price, net of any taxes, duties, discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

### a. Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging, value added services and broadcasting. It also includes revenue towards interconnection charges for usage of the Group's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised in other current financial assets.

Certain business' service revenues include income from registration and installation, which are amortised over the period of agreement since the date of activation of services.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

### b. Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on 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.

### c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised

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when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

## d. Capacity Swaps

The exchange of network capacity is recognised 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.

## e. Interest income

The interest income is recognised using the EIR method. For further details, refer Note 2.11.

## f. Dividend income

Dividend income is recognised when the Group's right to receive the payment is established. For further details, refer Note 2.11

## 2.22 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

## 2.23 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.

## 2.24 Dividends Paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

## 2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at

beginning of the period, unless issued at a later date during the period.

## 3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

### 3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

#### a. Impairment reviews

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU / grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing.

#### b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The

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amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognised for the unused tax losses for which there is probability of utilisation against the taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

## c. Property, plant and equipment

Refer Note 2.8 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Group has reassessed useful life of certain categories of network assets due to technological developments and accordingly, has revised the estimate of its useful life in respect of those assets. Out of these assets, the additional depreciation charge of ₹ 3,258 on assets for which the revised useful life has expired by March 31, 2016 has been recognized and disclosed as 'exceptional items', net' and additional depreciation charge of ₹ 6,969 for other assets has been recognised within 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future year is as follows:

Particulars	Year ended			Future Period till end of life
	March 31, 2018	March 31, 2019	March 31, 2020	
Impact on future depreciation charge	(2,863)	(2,765)	(1,133)	16,988

## d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

## e. Contingent liability

Refer Note 26 (i) for details of contingent liability.

## 3.2 Critical judgement's in applying the Group's accounting policies

The critical judgement's, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

### a. Arrangement containing lease

The Group assesses the contracts entered with telecom operators / passive infrastructure

services providers to share tower infrastructure services so as to determine whether these contracts that do not take the legal form of a lease convey a right to use an asset or not. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are in the nature of leases. Most of these leases are classified as operating unless the term of the agreement is for the major part of the estimated economic life of the leased asset, which is accounted for as finance lease.

## b. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

## c. Multiple element contracts with vendors

The Group has entered into multiple element contracts for supply of goods and rendering of services. In certain cases, the consideration paid is 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 the contracts have been accounted under Property, Plant and Equipment and / or as Intangible assets, since the Group has economic ownership in these assets and represents the substance of the arrangement.

## d. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

## e. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

## 4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial



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statements are discussed below. The Group has not early adopted these amendments and intends to adopt when they become effective.

## Ind AS 102 'Share based payments'

In March 2017, MCA issued amendments to Ind AS 102 pertaining to measurement of cash-settled share based payments, classification of share-based payments settled net of tax withholdings and accounting for modification of a share based payment from cash-settled to equity-settled method.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The group does not expect that the adoption of the amendments will not have any significant impact on the said financial statements.

## Ind AS 7, 'Statement of cash flows'

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Group will be providing the requisite disclosure in its statement of cash flows.

## 5. Significant transactions / new developments

a) During the year ended March 31, 2017, the Group has been allotted 172 MHz spectrum across 1800/2100/2300 MHz. Consequently, the Group has paid amount of ₹ 74,018 upfront and opted the deferred payment option for ₹ 66,764.

b) (i) During the year ended March 31, 2016, the Group had entered into a definitive agreement with Axiata Group Berhad for combining the business operations of their telecommunication subsidiaries in Bangladesh. On November 16, 2016, on the fulfillment of the regulatory and other closing conditions the Group has consummated the transaction. Accordingly, the Group has lost control over Airtel Bangladesh Limited and acquired 25% stake in the merged entity (viz. Robi Axiata Limited) as an associate of the Group.

(ii) During the year ended March 31, 2016, the Group had entered into definitive agreement to sell Group's operations in Burkina Faso and Sierra Leone. During the year ended March 31, 2017, on the fulfillment of the regulatory and other closing conditions the Group has consummated the divestment of these subsidiaries.

The details of consideration received, assets and liabilities over which control was lost (net asset disposed off) and gain on disposal (as exceptional item) recorded in financial statement is as follows:

Particulars	As of June 22, 2016	As of July 19, 2016	As of November 16, 2016
	Burkina Faso	Sierra Leone	Bangladesh
<b>A. Consideration received</b>			
Fair value of consideration received	39,554	22,185	25,956
<b>B. Net assets disposed off</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6,922	4,110	18,661
Goodwill and other intangible assets	25,232	8,972	16,765
Others	1,203	1,014	720
<b>Current Assets</b>			
Cash and cash equivalents	1,017	402	426
Trade receivables	1,153	132	689
Other current assets	3,953	629	1,752
<b>Total Assets (a)</b>	<b>39,480</b>	<b>15,259</b>	<b>39,013</b>
<b>Non-current liabilities</b>			
Others	1,018	153	961
<b>Current liabilities</b>			
Borrowings	1,074	73	7,445
Trade payable	9,090	904	4,681
Others	1,096	69	2,812
<b>Total Liabilities (b)</b>	<b>12,278</b>	<b>1,199</b>	<b>15,899</b>
<b>Net assets disposed off (a-b)</b>	<b>27,202</b>	<b>14,060</b>	<b>23,114</b>
<b>C. Gain on disposal *</b>	<b>8,404</b>	<b>1,778</b>	<b>2,038</b>
<b>D. Net cash inflow on disposal</b>			
Consideration received in cash and cash equivalent (net of transaction tax)	39,554	20,820	-
Less: cash and cash equivalents held by the entity	58	(402)	(426)
	<b>39,612</b>	<b>20,418</b>	<b>(426)</b>

\* Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss, transactional taxes, deferred gains on account of transaction with associate and provision towards future contractual settlement.

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- c) During the year ended March 31, 2017, the Group has sold its entire stake in its African associate, Tanzania Telecommunications Company Limited and recognised gain of ₹ 443 on disposal as exceptional item (refer Note 33 (i) a).
- d) On November 25, 2016, the Group acquired 4.20% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 83.25%. The excess of consideration paid to NCI over the carrying value of the interest acquired, ₹ 3,923, has been recognised in transaction with NCI reserve, a component of equity.
- e) On November 22, 2016, the Group acquired 24.89% of shares in Airtel Ghana Limited by subscribing to the right issue through the conversion of existing shareholder loans hereby, increasing its shareholding to 99.89%. The excess of consideration over the carrying value of the interest acquired, ₹ 9,130, has been recognised in transaction with NCI reserve, a component of equity.
- f) During the year the Group signed a definitive agreement to enter into 50% joint venture (JV Co) between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of the ownership interest in Airtel Ghana Limited and Millicom Ghana. The closing of the said transactions is subject to requisite regulatory approvals and other closing conditions.
- g) During the year ended March 31, 2017, the Group 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 against a consideration of ₹ 35,000. The Group has received the requisite approvals for the transfer of right to use spectrum and accordingly, the spectrum has been recorded in the books.
- h) During the year ended March 31, 2016, the Group had entered into a definitive agreement with Videocon Telecommunications Limited to acquire rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹ 46,530. During the year ended March 31, 2017, the Group has received the requisite approvals for the transfer of right to use spectrum and accordingly, the spectrum has been recorded in the books.
- i) During the year ended March 31, 2016, the Group had entered into a definitive agreement for acquisition of Augere Wireless Broadband Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant closing conditions the transaction has been consummated and goodwill of ₹ 150 has been recognised. The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of AWBPL with the Company, was approved by the Hon'ble High Court of Delhi. The Company has filed the Scheme with Registrar of Companies ('ROC') on February 15, 2017 which is the effective date and appointed date of merger. Accordingly, AWBPL has ceased to exist and have merged with the Company.
- j) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company has bought back its 47,058,823 shares against a consideration of ₹ 425 per share aggregating to ₹ 20,000, wherein the Company and other shareholders have tendered the shares in the ratio of 62% and 38% approximately. Accordingly, the shareholding of the Company in BIL has increased by 0.25%, and hence the consideration paid to NCI over and above the reduction in their carrying value (due to revised net worth and relative interest) amounting ₹ 1,514 has been recognised in transaction with NCI reserve, a component of equity.
- Subsequently, the Group also sold 190,583,357 shares in BIL, against a consideration aggregating to ₹ 61,940. The excess of proceeds over the change in non-controlling interests net of associated transaction costs, taxes and regulatory levies, amounting to ₹ 39,241 has been recognised directly in consolidated statement of changes in equity. Due to the said transaction, shareholding of the Group in BIL has reduced to 61.68%.
- k) During the year ended March 31, 2017, Bharti Telemedia Limited ('BTL'), a subsidiary of the Company allotted 500 Mn shares, against a consideration of ₹ 10 per share aggregating to ₹ 5,000, to the Company and Bharti Enterprises Limited ('BEL') in the ratio of their existing shareholding (viz. 95:5). Accordingly, the Group has allocated BEL's share of accumulated losses in BTL to the extent of capital contribution received from BEL.
- l) During the year ended March 31, 2016, Airtel Payments Bank Limited ('APBL') (formerly Airtel M Commerce Services Limited), 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 APBL to KMBL. Accordingly, the shareholding of the Company in APBL stands reduced to 80.10% and the corresponding non-controlling interests has been recognised. Excess of proceeds over net assets attributable to non-controlling interests, amounting to ₹ 498 has been recognised directly in equity as attributable to the equity shareholders of the parent.
- m) During the year ended March 31, 2016, the Group acquired additional 46% of the share capital of Indo Teleports Limited (formerly known as Bharti Teleports Limited) increasing its ownership to 95% and accordingly, goodwill of ₹ 311 has been recognised in the transaction.
- n) During the year ended March 31, 2017, the Group has entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company and definitive agreement to acquire 100% equity stake in Tikona Digital Networks. The closing of the said transactions are subject to requisite regulatory approvals and other closing conditions.
- o) The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Airtel Broadband Services Private Limited ('ABSPL') with the Company, was approved by the Hon'ble High Court of Bombay in 2014. Department of Telecommunications ('DoT') had given its approval for taking on record the merger of ABSPL with the

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Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361, equal to the difference between the entry fee for Unified Access Service License and Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order in 2015 has allowed the Company to operationalise the spectrum subject to the company paying a sum of ₹ 4,361 along with interest as may be determined by the Tribunal, in case the petition fails.

The Company has filed the Scheme with Registrar of Companies ('ROC') on April 9, 2015 which is the effective date and appointed date of merger. Accordingly, ABSPL has ceased to exist and have merged with the Company.

## 6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE and capital work-in-progress for the year ended March 31, 2017 and 2016

Particulars	PPE								Capital work-in-progress
	Leasehold Improvement	Land & Building	Plant & machinery	Furniture & Fixture	Vehicles	Office equipment	Computer	Total	
<b>Gross carrying value</b>									
<b>Balance as of April 1, 2015</b>	<b>8,981</b>	<b>15,746</b>	<b>1,056,752</b>	<b>2,888</b>	<b>2,285</b>	<b>8,649</b>	<b>80,868</b>	<b>1,176,169</b>	<b>48,702</b>
Additions	477	484	-	665	86	1,158	12,368	15,238	191,144
Acquisition through Business Combinations <sup>^</sup>	-	-	161	-	-	1	-	162	-
Disposals / adjustment	(48)	(484)	(18,087)	-	(55)	(229)	(8,991)	(27,894)	-
Net transfers to/from assets-held-for-sale <sup>@</sup>	-	-	(4,634)	-	-	-	-	(4,634)	655
Exchange differences	137	(20)	1,940	(25)	98	86	680	2,896	438
Capitalisation / reclassification <sup>*</sup>	(384)	(166)	194,379	133	-	(453)	820	194,329	(193,635)
<b>Balance as of March 31, 2016</b>	<b>9,163</b>	<b>15,560</b>	<b>1,230,511</b>	<b>3,661</b>	<b>2,414</b>	<b>9,212</b>	<b>85,745</b>	<b>1,356,266</b>	<b>47,304</b>
Additions	378	437	-	710	157	981	4,309	6,972	179,982
Acquisition through business combinations <sup>^</sup>	-	-	-	-	-	-	-	-	534
Disposals / adjustment	(544)	(62)	(28,714)	(140)	(155)	(1,629)	(2,776)	(34,020)	-
Sale of subsidiaries/towerco operation <sup>^</sup>	(130)	(707)	(69,400)	(970)	(115)	(328)	(4,777)	(76,427)	(747)
Net transfers to/from assets-held-for-sale <sup>@</sup>	-	-	4,990	-	-	-	-	4,990	-
Exchange differences	(537)	(1,050)	(53,624)	(317)	(131)	(942)	(10,635)	(67,236)	(1,129)
Capitalisation / reclassification <sup>*</sup>	73	(332)	202,705	(221)	4	133	(360)	202,002	(202,002)
<b>Balance as of March 31, 2017</b>	<b>8,403</b>	<b>13,846</b>	<b>1,286,468</b>	<b>2,723</b>	<b>2,174</b>	<b>7,427</b>	<b>71,506</b>	<b>1,392,547</b>	<b>23,942</b>
<b>Accumulated Depreciation</b>									
<b>Balance as of April 1, 2015</b>	<b>5,888</b>	<b>2,419</b>	<b>541,977</b>	<b>2,301</b>	<b>1,783</b>	<b>6,282</b>	<b>71,583</b>	<b>632,233</b>	<b>-</b>
Charge <sup>#</sup>	822	640	126,826	511	168	778	9,147	138,892	-
Disposals / adjustment	-	(212)	(14,945)	-	(43)	(219)	(8,876)	(24,295)	-
Net transfers to/from assets-held-for-sale <sup>@</sup>	-	-	(1,524)	-	-	-	-	(1,524)	-
Exchange differences	132	(59)	(1,051)	(34)	71	20	725	(196)	-
Reclassification <sup>*</sup>	(168)	180	18	(285)	(2)	(70)	975	648	-
<b>Balance as of March 31, 2016</b>	<b>6,674</b>	<b>2,968</b>	<b>651,301</b>	<b>2,493</b>	<b>1,977</b>	<b>6,791</b>	<b>73,554</b>	<b>745,758</b>	<b>-</b>
Charge <sup>#</sup>	804	575	136,400	561	177	1,040	6,474	146,031	-
Disposals / adjustment	(543)	1	(26,462)	(15)	(150)	(1,626)	(2,675)	(31,470)	-
Sale of subsidiaries/towerco operation <sup>^</sup>	(98)	(152)	(38,421)	(900)	(96)	(268)	(3,949)	(43,884)	-
Net transfers to/from assets-held-for-sale <sup>@</sup>	-	-	1,374	-	-	-	-	1,374	-
Exchange differences	(392)	(254)	(33,975)	(491)	(94)	(621)	(9,523)	(45,350)	-
Reclassification <sup>*</sup>	40	681	(114)	703	(1)	(652)	(657)	-	-
<b>Balance as of March 31, 2017</b>	<b>6,485</b>	<b>3,819</b>	<b>690,103</b>	<b>2,351</b>	<b>1,813</b>	<b>4,664</b>	<b>63,224</b>	<b>772,459</b>	<b>-</b>
<b>Net carrying value</b>									
<b>As of April 1, 2015</b>	<b>3,093</b>	<b>13,327</b>	<b>514,775</b>	<b>587</b>	<b>502</b>	<b>2,367</b>	<b>9,285</b>	<b>543,936</b>	<b>48,702</b>
<b>As of March 31, 2016</b>	<b>2,489</b>	<b>12,592</b>	<b>579,210</b>	<b>1,168</b>	<b>437</b>	<b>2,421</b>	<b>12,191</b>	<b>610,508</b>	<b>47,304</b>
<b>As of March 31, 2017</b>	<b>1,918</b>	<b>10,027</b>	<b>596,365</b>	<b>372</b>	<b>361</b>	<b>2,763</b>	<b>8,282</b>	<b>620,088</b>	<b>23,942</b>

@ Refer Note 18

<sup>^</sup> Refer Note 5

<sup>\*</sup> ₹ 694 and ₹ 648 of gross block and accumulated depreciation respectively, has been reclassified mainly from Software to computer during the year ended March 31, 2016.

<sup>#</sup> Includes exceptional item of ₹ 2,936 (March 31, 2016 ₹ 3,041) with respect to plant and machinery (refer Note 33 (i) b, c, d & (ii) f) and ₹ 510 (March 31, 2016 ₹ 571) is on account of court approved scheme/arrangements.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following table summarises the detail of assets taken on finance lease:

Particulars	Grossing Carrying value	Accumulated depreciation	Net carrying value
<b>As of March 31, 2017</b>			
Plant and machinery	37,165	18,757	18,408
Leasehold land	681	102	579
Computer	-	-	-
Vehicles	66	12	54
<b>As of March 31, 2016</b>			
Plant and machinery	38,930	17,563	21,367
Leasehold land	502	100	402
Computer	1,097	835	262
<b>As of April 1, 2015</b>			
Plant and machinery	435	7	428
Leasehold land	662	104	559
Computer	831	431	400

Capital work in progress mainly includes ₹ 21,883, ₹ 46,190 and ₹ 47,652 towards Plant and machinery as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

For details towards pledge of the above assets refer Note 21.

## 7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill, other intangible assets and intangible assets under development for the year ended March 31, 2017 and 2016:

Particulars	Goodwill#	Other intangible assets					Intangible assets under development
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Total	
<b>Gross carrying value</b>							
<b>Balance as of April 1, 2015</b>	<b>417,460</b>	<b>17,713</b>	<b>16,573</b>	<b>408,398</b>	<b>4,325</b>	<b>447,009</b>	<b>118,487</b>
Additions	-	3,363	3,244	-	70	<b>6,677</b>	262,709
Acquisition through Business Combinations^	314	-	-	-	128	<b>128</b>	-
Disposals / adjustment@	-	(4,255)	-	(15,130)	(143)	<b>(19,528)</b>	-
Exchange differences	13,244	103	72	6,374	25	<b>6,574</b>	75
Capitalisation / reclassification*	-	(706)	12	371,555	-	<b>370,861</b>	(371,555)
<b>Balance as of March 31, 2016</b>	<b>431,018</b>	<b>16,218</b>	<b>19,901</b>	<b>771,197</b>	<b>4,405</b>	<b>811,721</b>	<b>9,716</b>
Additions	-	2,783	4,903	-	5,463	<b>13,149</b>	280,099
Acquisition through business combinations^	150	-	-	1,250	-	<b>1,250</b>	-
Disposals / adjustment@	-	(92)	(86)	(1,095)	-	<b>(1,273)</b>	-
Sale of subsidiaries/towerco operation^	(44,066)	(944)	(182)	(19,015)	-	<b>(20,141)</b>	-
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	<b>(25,525)</b>	-
Capitalisation / reclassification	-	-	-	205,372	-	<b>205,372</b>	(205,372)
<b>Balance as of March 31, 2017</b>	<b>340,719</b>	<b>17,982</b>	<b>23,582</b>	<b>933,212</b>	<b>9,777</b>	<b>984,553</b>	<b>84,443</b>
<b>Accumulated amortisation</b>							
<b>Balance as of April 1, 2015</b>	<b>-</b>	<b>14,116</b>	<b>3,961</b>	<b>85,881</b>	<b>1,333</b>	<b>105,291</b>	<b>-</b>
Charge	-	2,723	1,207	34,204	1,084	<b>39,218</b>	-
Disposals / adjustment@	-	(4,255)	-	(15,130)	(119)	<b>(19,504)</b>	-
Exchange differences	-	103	162	3,056	4	<b>3,325</b>	-
Reclassification*	-	(660)	12	-	-	<b>(648)</b>	-
<b>Balance as of March 31, 2016</b>	<b>-</b>	<b>12,027</b>	<b>5,342</b>	<b>108,011</b>	<b>2,302</b>	<b>127,682</b>	<b>-</b>



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Particulars	Goodwill#	Other intangible assets				Total	Intangible assets under development
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles		
Charge	-	2,780	1,507	48,611	2,247	55,145	-
Disposals / adjustment@	-	(92)	(86)	(1,095)	-	(1,273)	-
Sale of subsidiaries/towerco operation^	-	(792)	(68)	(8,849)	-	(9,709)	-
Exchange differences	-	13	(79)	(11,344)	(63)	(11,473)	-
Reclassification	-	128	4	(32)	(100)	-	-
<b>Balance as of March 31, 2017</b>	<b>-</b>	<b>14,064</b>	<b>6,620</b>	<b>135,302</b>	<b>4,386</b>	<b>160,372</b>	<b>-</b>
<b>Net Carrying Value</b>							
<b>As of April 1, 2015</b>	<b>414,823</b>	<b>3,597</b>	<b>12,612</b>	<b>322,517</b>	<b>2,992</b>	<b>341,718</b>	<b>118,487</b>
<b>As of March 31, 2016</b>	<b>428,381</b>	<b>4,191</b>	<b>14,559</b>	<b>663,186</b>	<b>2,103</b>	<b>684,039</b>	<b>9,716</b>
<b>As of March 31, 2017</b>	<b>338,082</b>	<b>3,918</b>	<b>16,962</b>	<b>797,910</b>	<b>5,391</b>	<b>824,181</b>	<b>84,443</b>

# Net carrying value of goodwill includes accumulated impairment of ₹ 2,637.

^ Refer Note 5

@ Mainly pertains to gross block and accumulated amortisation of license (including spectrum) and software whose useful life has expired.

\* ₹ 694 and ₹ 648 of gross block and accumulated depreciation respectively, has been reclassified mainly from software to computer during the year ended March 31, 2016.

During the year ended March 31, 2017 and 2016 the Group has capitalised borrowing cost of ₹ 2,750 and ₹ 2,265 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2017, March 31, 2016 and April 1, 2015 is 16.60 years, 16.64 years and 15.69 years, respectively.

Addition to the intangible assets under development pertains to Spectrum.

For details towards pledge of the above assets refer Note 21.

## Impairment review of goodwill

The Group tests goodwill for impairment annually on December 31. The impairment assessment is based on value in use calculations except in case of Mobile Services - Bangladesh during the year ended March 31, 2016, where fair value less cost to sell was used in view of then impending merger of Airtel Bangladesh Limited with Robi Axiata Limited (refer Note 5 (b) (i)).

During the year ended March 31, 2017, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Mobile Services - India	39,676	39,527	39,524
Mobile Services - Bangladesh	-	8,937	8,479
Airtel business	6,103	6,224	5,597
Mobile Services - Africa	291,959	373,349	360,879
Homes Services	344	344	344
	<b>338,082</b>	<b>428,381</b>	<b>414,823</b>

The recoverable amount of the above CGUs are based on value-in-use (except in case of Mobile Services - Bangladesh during the year ended March 31, 2016), which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. During the year ended March 31, 2016 the measurement of the fair value less cost to sell in case of Mobile Services – Bangladesh had been determined based on the fair value of stake (basis 10 year plan) to be received by the Group in the merged entity (i.e. combined entity after merger of Robi Axiata

Limited and Airtel Bangladesh Limited) in consideration of contribution to merged entity.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest and taxes margins ('EBIT')
- Discount rate
- Growth rates
- Capital expenditures

**EBIT margins:** The margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; whereas, factors like higher churn,

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

increased cost of operations may impact the margins negatively.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Pre-tax discount rate used ranged from 10.28% to 21.98% for the year ended March 31, 2017 and ranged from 13.1% to 19.9% for the year ended March 31, 2016 (higher rate used for CGU group 'Mobile Services – Africa').

**Growth rates:** The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2017 and ranged from 3.5% to 4.0% for March 31, 2016.

**Capital expenditures:** The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required

for roll out of incremental coverage requirements and to provide enhanced voice and data services adjusted and impact of any proposed divestment of towers.

## Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Mobile Services - India, Homes Services and Airtel Business, and fair value less cost to sell in Mobile Services – Bangladesh, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by approximately 8.1% as of December 31, 2016 and approximately 10.0% as of December 31, 2015. An increase of 0.9% (December 31, 2015: 1.1%) in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2016. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

## 8. Investment in joint ventures and associates

### Details of joint ventures:

S. No.	Name of Joint Ventures	Principal place of business	Principal activities	Ownership interest		
				% As of		
				March 31, 2017	March 31, 2016	April 1, 2015
1	Indus Towers Limited *	India	Passive infrastructure services	25.91	30.14	30.19
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	-	-	16.67
4	FireFly Networks Limited	India	Telecommunication services	50	50	50

\* Bharti Infratel Limited, in which the Group has 61.68% equity interest (71.76% as of March 31, 2016 and 71.88% as of April 1, 2015), owns 42% of Indus Towers Limited.

### Details of associates:

S. No.	Name of associates	Principal place of business	Principal activities	Ownership interest		
				% As of		
				March 31, 2017	March 31, 2016	April 1, 2015
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited) *	India	Uplinking channels for broadcasters	-	-	49
2	Tanzania Telecommunications Company Limited #	Tanzania	Telecommunication services	-	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	Submarine Cable System	26	26	26
4	Robi Axiata Limited(refer Note 5(b))	Bangladesh	Telecommunication services	25	-	-
5	Seynse Technologies Private Limited@	India	Financial Services	22.54	-	-

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

# The Group has sold its shareholding in the Company on June 23, 2016

@ The Group has acquired stake in the company on February 21, 2017.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The amounts recognised in the balance sheet are as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Joint ventures	59,461	60,990	51,936
Associates	22,816	-	-
	<b>82,277</b>	<b>60,990</b>	<b>51,936</b>

The amounts recognised in the statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Recognised in profit and loss</b>		
Joint ventures	11,091	10,666
Associates	(642)	-
	<b>10,449</b>	<b>10,666</b>
<b>Recognised in other comprehensive income</b>		
Joint ventures	(9)	(4)
Associates	-	-
	<b>(9)</b>	<b>(4)</b>

The summarised financial information of joint venture and associate that are material to the Group are as follows:

## Summarised balance sheet

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015	As of March 31, 2017
	Indus Towers Limited (joint venture)			Robi Axiata Limited (associate)#
<b>Assets</b>				
<b>Non current assets</b>	207,357	207,634	209,213	95,480
<b>Current assets</b>				
Cash and cash equivalents ('C&CE')	1,121	752	533	1,507
Other current assets (excluding 'C&CE')	17,182	15,956	17,922	6,904
<b>Total current assets</b>	<b>18,303</b>	<b>16,708</b>	<b>18,455</b>	<b>8,411</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Borrowings	10,589	25,585	37,203	8,578
Other liabilities	30,294	28,104	26,908	2,706
<b>Total non current liabilities</b>	<b>40,883</b>	<b>53,689</b>	<b>64,111</b>	<b>11,284</b>
<b>Current liabilities</b>				
Borrowings	24,090	14,999	24,186	11,620
Other liabilities	28,522	21,891	28,349	33,521
<b>Total current liabilities</b>	<b>52,612</b>	<b>36,890</b>	<b>52,535</b>	<b>45,141</b>
<b>Equity</b>	<b>132,165</b>	<b>133,763</b>	<b>111,022</b>	<b>47,466</b>
Percentage of Group's ownership interest	42%	42%	42%	25%
Interest in joint venture / associate	55,509	56,181	46,629	11,867
Consolidation adjustment*	3,900	4,767	5,184	10,700
Carrying amount of investment	59,409	60,948	51,813	22,567

\* includes Goodwill of ₹ 11,176 pertaining to Robi Axiata Limited.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Summarised information on statement of profit and loss

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the period ended March 31, 2017
	Indus Towers Limited (joint venture)		Robi Axiata Limited (associate) #
Revenue	174,817	161,353	19,901
Depreciation and amortisation	26,116	25,442	7,958
Finance income	315	344	52
Finance cost	5,064	5,806	479
Income tax expense	15,273	14,227	(1,814)
Profit for the year / period	<b>28,451</b>	<b>26,355</b>	<b>(4,932)</b>
OCI for the year / period	(22)	(10)	-
Percentage of Group's ownership interest	42%	42%	25%
Group's share in profit for the period	11,949	11,069	(1,233)
Group's share in OCI for the year / period	(9)	(4)	-
Consolidation adjustments	(867)	(417)	51
Group's share in profit recognised®	11,083	10,652	(1,182)
Dividend received from Joint venture / associate	<b>9,510</b>	-	-

# The information is based on the financial statements which are only audited up-to period ended December 31, 2016.

® Loss of ₹ 540 has been recognised as exceptional item for Robi Axiata Limited. Refer Note 33 (i) (f).

Aggregate information of joint ventures that are individually immaterial is as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Carrying amount of investments	52	42	123
Cumulative unrecognised losses	-	2	2

Group's share in joint ventures'

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit	8	14
Total comprehensive income	8	14
Unrecognised losses	-	-

Aggregate information of associates that are individually immaterial is as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Carrying amount of investments	249	-	-
Cumulative unrecognised losses*	90	1,765	1,559

Group's share in Associates

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit / (loss)	0	(206)
Total comprehensive income / (loss)	0	(206)
Unrecognised losses	46	206

\* Reduced due to sale of associate refer Note 5 (c).

Refer Note 26 for Group's share of joint venture's and associate's commitments and contingencies.



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 9. Investments in subsidiaries

Information about the subsidiaries which are part of the Group is as follows:

S. No.	Principal Activity	Principal place of business	Number of wholly-owned subsidiaries		
			As of		
			March 31, 2017	March 31, 2016	April 1, 2015
1	Telecommunication services	India	3	3	4
2	Telecommunication services	Africa	7	10	10
3	Telecommunication services	South Asia	1	2	2
4	Telecommunication services	Others	6	6	7
5	Mobile commerce services	India	-	-	1
6	Mobile commerce services	Africa	14	16	17
7	Infrastructure services	Africa	4	6	9
8	Infrastructure services	South Asia	2	2	2
9	Direct to Home services	Africa	1	2	3
10	Submarine cable	Mauritius	1	1	1
11	Investment company	Netherlands	25	26	26
12	Investment company	Mauritius	6	6	6
13	Investment company	Others	4	4	5
14	Others	India	1	1	1
			<b>75</b>	<b>85</b>	<b>94</b>

S. No.	Principal Activity	Principal place of business	Number of non wholly-owned subsidiaries		
			As of		
			March 31, 2017	March 31, 2016	April 1, 2015
1	Telecommunication services	India	2	2	1
2	Telecommunication services	Africa	8	8	9
3	Mobile commerce services	India	1	1	-
4	Mobile commerce services	Africa	3	2	-
5	Infrastructure services	India	1	2	2
6	Infrastructure services	Africa	3	5	7
7	Direct to Home services	India	1	1	1
8	Investment company	Africa	1	1	-
9	Others	India	1	1	-
			<b>21</b>	<b>23</b>	<b>20</b>

Additionally the Group also controls the trusts as mentioned here below:

### Details of controlled trust:

S. No.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:-

## Summarised balance sheet

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	As of March 31, 2017	As of April 1, 2015	As of March 31, 2017	As of April 1, 2015	As of March 31, 2017	As of April 1, 2015
<b>Assets</b>						
Non current assets	171,644	167,514	89,157	77,719	63,174	97,130
Current assets	55,454	51,659	6,984	4,289	5,343	19,610
<b>Liabilities</b>						
Non current liabilities	14,705	15,170	3,560	6,551	37,798	37,249
Current liabilities	43,952	13,799	25,753	22,127	43,049	85,573
<b>Equity</b>	<b>166,735</b>	<b>190,204</b>	<b>66,828</b>	<b>53,330</b>	<b>(12,330)</b>	<b>(6,082)</b>
% of ownership interest held by NCI	38.32%	28.12%	30.00%	30.00%	16.75%	20.94%
Accumulated NCI	63,893	53,491	20,049	15,977	(2,064)	(1,274)

## Summarised statement of profit and loss

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue	60,178	57,272	51,313	51,922	69,543	83,491
Net profit/(loss)	25,624	22,353	6,601	10,279	(22,173)	8,990
Other comprehensive income / (loss)	84	(18)	(1)	(2)	(2,010)	8,946
Total comprehensive income / (loss)	25,708	22,335	6,600	10,277	(24,183)	17,936
Profit / (loss) allocated to NCI	7,242	6,309	2,007	3,086	(4,810)	1,883

## Summarised statement of cash flows

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Net cash inflow from operating activities	28,662	19,115	15,162	15,109	13,605	17,677
Net cash (outflow)/inflow from investing activities	(2,434)	15,483	(16,443)	(6,937)	(10,291)	19,090
Net cash (outflow)/inflow from financing activities	(26,648)	(14,529)	49	(8,413)	(6,497)	(34,240)
Net cash (outflow)/inflow	<b>(420)</b>	<b>20,069</b>	<b>(1,232)</b>	<b>(241)</b>	<b>(3,183)</b>	<b>2,527</b>
Dividend paid to NCI (including tax)	1,873	4,183	695	325	-	-

\*Based on consolidated financial statements of the entity. Also, refer Note 5 (j).

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 10 Investments

### Non-current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Investments - FVTPL	42,051	25,396	31,310
Investments - FVTOCI	2,136	3,226	-
	<b>44,187</b>	<b>28,622</b>	<b>31,310</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Investments - FVTPL	15,212	16,159	84,017
Investments - FVTOCI	1,711	-	-
	<b>16,923</b>	<b>16,159</b>	<b>84,017</b>

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Investment in equity instruments (Unquoted)			
IFFCO Kissan Sanchar Limited : 100,000 equity shares of ₹ 10 each fully paid up	50	50	50
Greenenergy Wind Corporation Pvt Ltd : 41,535 equity shares of ₹ 10 each fully paid up (FVTOCI)	4	4	-
Helios Towers Africa Ltd. : 29,629,629 equity shares of 1.35 USD each	2,594	-	-
Investment in preference share (Unquoted)			
Tube INC (Data Mi) : 5,294,781 (March 31, 2016 4,947,871) non-cumulative convertible preference shares of 0.9208 Euro each	316	302	-
Investment in government securities * (Quoted / Unquoted)	53,584	2	2
Investment in mutual funds (Quoted)	529	38,345	115,258
Investment in corporate deposits and bonds (Quoted / Unquoted)	3,556	6,078	17
Investment in commercial paper (Quoted)	477	-	-
	<b>61,110</b>	<b>44,781</b>	<b>115,327</b>
Aggregate book / market value of quoted investments	56,688	44,416	115,258
Aggregate book value of unquoted investments	4,422	365	69

\* Investment in government securities mainly pertains to investment in Govt. stock 2026.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 11 Derivative financial Instruments

The Group uses foreign exchange option contracts, swap contracts, forward contracts and interest rate swaps to manage some of its transaction exposures.

The details of derivative financial instruments are as follows:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Assets</b>			
Currency swaps, forward and option contracts	814	3,788	280
Interest swaps	4,963	14,545	5,598
Embedded derivatives	1,015	431	2,632
	<b>6,792</b>	<b>18,764</b>	<b>8,510</b>
<b>Liabilities</b>			
Currency swaps, forward and option contracts	3,412	1,096	381
Interest swaps	880	-	73
Embedded derivatives	769	843	338
	<b>5,061</b>	<b>1,939</b>	<b>792</b>
Non-current derivative financial assets	4,732	13,999	7,303
Current derivative financial assets	2,060	4,765	1,207
Non-current derivative financial liabilities	(2,726)	(8)	(164)
Current derivative financial liabilities	(2,335)	(1,931)	(628)
	<b>1,731</b>	<b>16,825</b>	<b>7,718</b>

### Embedded derivative

The Group entered into agreements denominated/determined in foreign currencies. The value of these contracts changes in response to the changes in specified foreign currencies. Some of these contracts have embedded foreign currency derivatives having economic characteristics and risks that are not closely related to those of the host contracts. These embedded foreign currency derivatives have been separated and carried at fair value through profit or loss.

## 12 Security deposits

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Considered good*	9,630	10,441	9,529
Considered doubtful	1,464	1,123	620
Less: provision for doubtful deposits	(1,464)	(1,123)	(620)
	<b>9,630</b>	<b>10,441</b>	<b>9,529</b>

Security deposits primarily include deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

\*Includes amount due from related party refer Note 36.

For details towards pledge of the above assets refer Note 21.

## 13 Financial assets – others

### Non-current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Rent equalisation	4,183	4,093	3,517
Tower sale receivable	10,323	10,658	-
Restricted cash	554	1,048	1,296
Claims recoverable	73	1,360	1,227
Bank deposits	744	5	4
Others*	776	338	1,987
	<b>16,653</b>	<b>17,502</b>	<b>8,031</b>



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Restricted cash	34,806	14,626	10,075
Unbilled revenue	13,442	11,064	10,273
Claims recoverable	2,007	5,151	4,481
Interest accrued on investments	1,447	1,554	63
Others*	403	116	279
	<b>52,105</b>	<b>32,511</b>	<b>25,171</b>

\*Primarily includes finance lease receivables and also includes amount due from related party refer Note 36.

Restricted cash represents cash received from subscribers of mobile commerce services, earmarked balances for dividend payouts and amount given as collateral for legal cases and/or bank guarantees for disputed matters.

For details towards pledge of the above assets refer Note 21.

## 14 Income tax

### The major components of the income tax expense are:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Current income tax</b>		
- For the year	21,332	43,749
- Adjustments for prior periods	(92)	941
	<b>21,240</b>	<b>44,690</b>
<b>Deferred tax*#</b>		
- Origination and reversal of temporary differences	18,436	5,329
- Adjustments for prior periods	(4,857)	9,514
	<b>13,579</b>	<b>14,843</b>
<b>Income tax expense</b>	<b>34,819</b>	<b>59,533</b>

\* Includes Minimum Alternate Tax ('MAT') credit of ₹ 1,222 and ₹ 17,661 during the year ended March 31, 2017 and 2016, respectively.

# Includes reversal of deferred tax asset of ₹ 8,612 during the year ended March 31, 2016, in one of the subsidiary on account of surrender of depreciation with Tax authority.

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	77,233	128,463
Tax expense @ company's domestic tax rate of 34.608%	26,728	44,459
<b>Effect of:</b>		
Share of profits in associates and joint ventures	(3,618)	(3,342)
Tax holiday	778	(7,249)
Adjustments in respect of previous years	(4,967)	10,453
Additional Tax / Tax for which no credit is allowed	4,466	4,688
Difference in overseas tax rates	(465)	(1,451)
Items on which tax is lower than applicable rate	(4,311)	(7,992)
(Income) / expense (net) not taxable / deductible	1,065	2,288
Tax on undistributed retained earnings	2,184	1,667
Tax losses and temporary difference for which no deferred tax asset was recognised	12,311	16,240
Settlement of various disputes	369	480
Others	279	(708)
<b>Income tax expense</b>	<b>34,819</b>	<b>59,533</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The analysis of deferred tax assets and liabilities is as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Deferred tax assets (net)</b>			
<b>a) Deferred tax liability due to</b>			
Depreciation / amortisation on property, plant and equipment / intangible assets	(66,798)	(37,899)	(7,112)
<b>b) Deferred tax asset arising out of</b>			
Provision for impairment of debtors / advances	13,004	9,950	9,625
Carry forward losses	3,382	1,876	3,333
Unearned Income	385	400	357
Employee benefits	1,133	925	820
Minimum Tax Credit	57,532	56,310	38,649
Lease Rent Equilisation	6,983	6,725	6,172
Fair valuation of financial instruments and exchange differences	7,748	7,267	6,132
Rates and taxes	1,527	-	-
Others	1,366	1,185	1,526
	<b>26,262</b>	<b>46,738</b>	<b>59,502</b>

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Deferred tax liabilities (net)</b>			
<b>a) Deferred tax liability due to</b>			
Lease Rent Equilisation (net)	4,076	4,597	4,431
Fair valuation of financial instruments and exchange differences	691	1,430	2,254
Depreciation / amortisation on property, plant and equipment / intangible assets	4,112	6,522	6,971
Undistributed retained earnings	2,986	3,232	1,456
Others	187	-	-
<b>b) Deferred tax asset arising out of</b>			
Provision for impairment of debtors / advances	(1,389)	(2,076)	(1,121)
Carry forward losses	(720)	(832)	(383)
Unearned Income	(301)	(71)	(196)
Employee benefits	(214)	(187)	(257)
Others	-	(103)	(78)
	<b>9,429</b>	<b>12,512</b>	<b>13,077</b>

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Deferred tax expense</b>		
Provision for impairment of debtors / advances	2,858	1,425
Carry forward losses	(99)	(872)
Unearned Income	23	(94)
Employee benefits	235	134
Minimum Tax Credit	1,223	17,661
Lease Rent Equilisation (net)	789	395
Fair valuation of financial instruments and exchange differences	2,377	492
Rates and taxes	1,527	-
Depreciation / amortisation on property, plant and equipment / intangible assets	(22,496)	(32,195)
Undistributed retained earnings	(259)	(1,667)
Others	243	(122)
<b>Net deferred tax expense</b>	<b>(13,579)</b>	<b>(14,843)</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening balance</b>	34,226	46,425
Tax expense recognised in profit or loss	(13,579)	(14,843)
Tax income recognised in equity	1,426	-
Disposal of subsidiary	-	785
Tax expense recognised in OCI - on net investments hedge	(10)	506
Tax expense recognised in OCI - on fair value through OCI investments	(6)	(3)
Exchange differences and others	(5,224)	1,356
<b>Closing balance</b>	<b>16,833</b>	<b>34,226</b>

The deferred tax assets are recognised for carry-forward losses and credits, to the extent that the realisation of the related tax benefit is probable. Accordingly, deferred tax assets are recognised for the entire credits and certain carry-forward losses, since the Group estimates that the realisation of the related tax benefit in future, through adjustment against future taxable profits and reversal of deferred tax liabilities in the relevant tax jurisdictions, is probable.

Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of ₹ 184,022, ₹ 269,200 and ₹ 229,893 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively as it is not probable that taxable profits will be available in future. The tax rates applicable to these unused tax losses, unabsorbed depreciation and deductible temporary differences vary from 3% to 45% depending on the jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2017, March 31, 2016 and April 1, 2015, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of ₹ 75,724, ₹ 147,654 and ₹ 143,308, respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Expiry date</b>			
Within one - three years	33,442	25,469	20,224
Within three - five years	36,045	38,187	30,370
Above five years	38,811	57,891	35,991
	<b>108,298</b>	<b>121,547</b>	<b>86,585</b>

Moreover, deferred tax liability has not been recognised with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries where the Group is in a position to control the timing of distribution of the profits and it is probable that the subsidiary will not distribute the profits in the foreseeable future. The temporary differences associated with respect to unremitted retained earnings and associated foreign currency translation reserve aggregating to ₹ 100,437, ₹ 96,573 and ₹ 96,364 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively. The distribution of the same is expected to attract tax in the range of Nil to 20% depending on the tax rates applicable as of March 31, 2017 in the jurisdiction in which the respective group entity operates. Further, the Group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

## 15 Other non-financial assets

### Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Capital advances	2,961	40,890	48,812
Other advances	29,367	28,703	26,069
Taxes recoverable	15,092	-	-
Others	2,455	847	803
	<b>49,875</b>	<b>70,440</b>	<b>75,684</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Prepaid expenses	11,490	15,590	10,573
Taxes recoverable	13,524	15,828	12,504
Advances to Suppliers	17,054	15,895	6,341
Others	2,037	1,514	2,778
	<b>44,105</b>	<b>48,827</b>	<b>32,196</b>

Capital advances includes advance payment of ₹ 1,720, ₹ 40,314 and ₹ 47,255 towards spectrum as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

Other advances represent payments made to various government authorities under protest and are disclosed net of provision refer Note 23.

Taxes recoverable primarily include customs duty, excise duty, service tax and sales tax. Non-current tax recoverable represents service tax recoverable on spectrum beyond one year period.

Others primarily include employee receivables which principally consist of advances given for business purposes and non-current prepaid expenses.

Advance to suppliers are disclosed net of provision of ₹ 2,128, ₹ 2,056 and ₹ 3,003 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

## 16 Trade Receivables

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unsecured			
Considered good *	49,838	55,039	51,961
Considered doubtful	42,258	35,080	27,795
Less: Provision for doubtful receivables	(42,258)	(35,080)	(27,795)
	<b>49,838</b>	<b>55,039</b>	<b>51,961</b>

\*Includes amount due from related party refer Note 36.

Refer Note 37 (iv) for credit risk.

The movement in allowances for doubtful debts is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	35,080	27,795
Additions*	8,509	11,167
Write off (net of recovery)	(873)	(4,960)
Exchange differences	(458)	1,078
<b>Closing balance</b>	<b>42,258</b>	<b>35,080</b>

\*includes exceptional item of ₹ 2,066 (refer Note 33 (ii) (d)) for the year ended March 31, 2016.

For details towards pledge of the above assets refer Note 21.

## 17 Cash and bank balances

### Cash and cash equivalents ('C&CE')

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Balances with banks			
- On current accounts	9,871	14,950	7,522
- Bank deposits with original maturity of 3 months or less	2,532	21,145	2,850
Cheques on hand	16	184	418
Cash on hand	398	808	931
	<b>12,817</b>	<b>37,087</b>	<b>11,721</b>



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Other bank balances

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Bank deposits with remaining maturity of less than 12 months	3,360	13,900	8,823

For the purpose of consolidated cash flow statement, C&CE are as following:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
C&CE as per balance sheet	12,817	37,087	11,721
C&CE included in the assets-held-for-sale	-	-	73
Bank overdraft (refer Note 21)	(22,697)	(19,452)	(13,207)
	<b>(9,880)</b>	<b>17,635</b>	<b>(1,413)</b>

The details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016, of the group entities as applicable, are provided below:

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as at November 8, 2016	43	1	44
(+) Permitted receipts	42	716	758
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	85	680	765
Closing cash in hand as at December 30, 2016	-	<b>37</b>	<b>37</b>

## 18 Non-current assets-held-for-sale

- a. Until March 31, 2015, the Group had entered into agreements to sale and leaseback a dedicated portion of towers in eight of the African countries. Further during the year ended March 31, 2017 and 2016, the Group has entered into an agreement to sale and leaseback a dedicated portion of towers in one of the African country each. The Group, on the basis of approval by relevant Board of Directors, considers that the criteria relevant for classification as assets-held-for-sale have been met, and accordingly 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. These assets and liabilities pertain to 'Mobile Services Africa' segment.

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.

Assets-held-for-sale mainly consist of property plant and equipment (refer Note 6). The Group has ceased depreciation on the telecom tower assets, to the extent it has estimated such assets would not be leased back, from the respective dates of classification as held for sale.

During the year ended March 31, 2017, the agreement for sale of tower assets in one of the African countries with American Tower Corporation have lapsed and therefore stand terminated thereby. Accordingly, assets and the related liabilities have been re-classified from held for sale to its earlier classification.

### b. The major classes of assets and liabilities classified as held for sale are as follows:

Assets of disposal group classified as held for sale	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Non current assets	-	6,870	30,012
Other current assets	-	132	2,606
	-	<b>7,002</b>	<b>32,618</b>
Liabilities of disposal group classified as held for sale	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Non current liabilities	-	(1,039)	(2,763)
Current liabilities	-	-	(1,200)
	-	<b>(1,039)</b>	<b>(3,963)</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

- c. During the year ended March 31, 2017, sale and lease back of 1,510 towers in two of the African countries was completed for a consideration of ₹ 13,193. The portion leased back which have been classified as finance lease, has been retained at the carrying value of ₹ 5,430 and the finance lease obligation has been recorded at ₹ 5,855, being the fair value of the leased back portion.

During the year ended March 31, 2016, sale and lease back of 8,740 towers in seven African countries was completed for a consideration of ₹ 116,229 respectively. The portion leased back which have been classified as finance lease, has been retained at the carrying value of ₹ 16,339 and the finance lease obligation has been recorded at ₹ 51,141, being the fair value of the leased back portion.

## 19. Share capital

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Issued, Subscribed and fully paid-up shares</b>			
3,997,400,102 equity shares of ₹ 5 each	19,987	19,987	19,987
	<b>19,987</b>	<b>19,987</b>	<b>19,987</b>

### 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 cast one vote per share.

### b. Treasury Shares

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	No. of shares (‘000’)	Amount	No. of Shares '000	Amount
<b>Opening balance</b>	1,882	524	1,411	114
Purchased during the year	-	-	1,500	514
Exercised during the year	(537)	(157)	(1,029)	(104)
<b>Closing balance</b>	<b>1,345</b>	<b>367</b>	<b>1,882</b>	<b>524</b>

### c. Dividend paid and proposed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Declared and paid during the year:</b>		
Final dividend for 2015-16 : ₹ 1.36 per share	6,541	-
Dividend on treasury shares (including dividend distribution tax of ₹ 1,107 @ 20.358%)	2	-
Final dividend for 2014-15 : ₹ 2.22 per share	-	10,679
Dividend on treasury shares (including dividend distribution tax of ₹ 1,807 @ 20.358%)	-	2
	<b>6,543</b>	<b>10,681</b>
<b>B Proposed dividend</b>		
Final dividend for 2016-17: ₹ 1 per share (2015-16 : ₹ 1.36 per share)	3,997	5,436
Dividend distribution tax @ 20.358%	814	1,107
	<b>4,811</b>	<b>6,543</b>

The proposed dividend is subject to approval at annual general meeting and hence has not been recognised as liability.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 20 Retained earnings and other reserves

### Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group, remeasurement differences on defined benefit plans and the reserves due to the court scheme accounting and adjustments thereto (as explained below for material Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting as required.

### Other components of equity

Particulars	FCTR	CFHR	FVTOCI reserve	Treasury shares	Total
<b>As of April 1, 2015</b>	-	-	-	(114)	(114)
Net losses due to foreign currency translation differences	(4,497)	-	-	-	(4,497)
Net losses on net investments hedge	(6,652)	-	-	-	(6,652)
Net losses on cash flow hedge	-	(724)	-	-	(724)
Net gains on fair value through OCI investments	-	-	4	-	4
Purchase of treasury shares	-	-	-	(514)	(514)
Exercise of share options	-	-	-	104	104
<b>As of March 31, 2016</b>	<b>(11,149)</b>	<b>(724)</b>	<b>4</b>	<b>(524)</b>	<b>(12,393)</b>
Net losses due to foreign currency translation differences	(42,134)	-	-	-	(42,134)
Net losses on net investments hedge	(7,402)	-	-	-	(7,402)
Net gains on cash flow hedge	-	857	-	-	857
Net gains on fair value through OCI investments	-	-	86	-	86
Exercise of share options	-	-	-	157	157
<b>As of March 31, 2017</b>	<b>(60,685)</b>	<b>133</b>	<b>90</b>	<b>(367)</b>	<b>(60,829)</b>

#### a) Foreign currency translation reserve ('FCTR')

During the year ended March 31, 2017, the Group has reclassified loss of ₹ 2,073 respectively, to statement of profit and loss on sale of foreign subsidiaries. Refer Note 5 (b).

#### b) Cash flow hedge reserve ('CFHR')

The Group has designated certain CHF / Euro forward contracts as a cash flow hedge of the foreign currency risk arising from the CHF / Euro borrowings.

The Group had designated certain of its foreign currency borrowings denominated in USD as a cash flow hedge of the foreign currency risk arising from the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers. Foreign exchange loss of ₹ 1,440 (₹ 852, net of tax and non-controlling interests) during the year ended March 31, 2016 has been recognised in other comprehensive income. Further, on occurrence of forecasted sale transaction during year ended March 31, 2016, the same has been reclassified from other comprehensive income to statement of profit and loss and disclosed as exceptional item.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 21 Borrowings

### Non-current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Secured</b>			
Term loans	11,344	26,279	68,943
Others*	31	20	19
	<b>11,375</b>	<b>26,299</b>	<b>68,962</b>
Less: Current portion (A)	(4,322)	(7,543)	(37,323)
	<b>7,053</b>	<b>18,756</b>	<b>31,639</b>
<b>Unsecured</b>			
Term loans#	68,800	126,402	209,366
Non-convertible bonds @	368,912	395,292	294,688
Deferred Payment Liabilities**	439,205	341,424	143,167
Finance lease obligations^	56,547	57,871	758
	<b>933,464</b>	<b>920,989</b>	<b>647,979</b>
Less: Current portion (B)	(44,144)	(47,059)	(88,043)
	<b>889,320</b>	<b>873,930</b>	<b>559,936</b>
	<b>896,373</b>	<b>892,686</b>	<b>591,575</b>
<b>Current maturities of long-term borrowings [A+B]</b>	<b>48,466</b>	<b>54,602</b>	<b>125,366</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Secured</b>			
Term loans	-	17,165	10,396
Bank overdraft	663	513	987
	<b>663</b>	<b>17,678</b>	<b>11,383</b>
<b>Unsecured</b>			
Term Loans	106,745	20,621	63,077
Bank overdraft	22,034	18,939	12,220
	<b>128,779</b>	<b>39,560</b>	<b>75,297</b>
	<b>129,442</b>	<b>57,238</b>	<b>86,680</b>

\* Others include vehicle loans taken from banks which were secured by hypothecation of the vehicles.

# Includes re-borrowable term loans of ₹ 9,810, ₹ 2,887 and ₹ Nil as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively which have daily prepayment flexibility.

@ For impact of change in fair value with respect to the hedged risk refer note 37 (ii).

^ includes finance lease liabilities primarily arising on sale and lease back of tower assets (refer Note 18 (c)).

\*\* During the year ended March 31, 2017, 2015 and 2014, the Group had won the auction for spectrum aggregating to 398.6 Mhz. The Group had opted for deferred payment in certain circles for a specified portion of the auction price. The deferred payment liability recognised in the financial statements is payable in 10 equal annual installments (including the related interest) after a moratorium of two years.

**21.1** During the year ended March 31, 2016, the Company had issued 4.375% USD 1,000 Mn (₹ 63,973) senior unsecured notes ('Bonds') at issue price of 99.304% which are listed on Singapore stock exchange and due for repayment in the year 2025.

### 21.2 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 21.2.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Within one year	178,928	112,243	212,260
Between one and two years	128,393	52,605	46,214
Between two and five years	207,068	259,181	206,490
Over five years	562,742	574,826	343,591
	<b>1,077,131</b>	<b>998,855</b>	<b>808,555</b>

The borrowings of ₹ 22,697, ₹ 19,452 and ₹ 13,207 outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising bank overdraft facilities from banks which are repayable on demand. The borrowings of ₹ 1,054,434, ₹ 979,403 and ₹ 795,348 outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising various loans, are repayable in total 1,361, 907 and 118 monthly installments, 173, 104 and 70 quarterly installments, 700, 888 and 1107 half yearly installments, 44, 43 and 44 yearly installments and 53, 312 and 172 bullet payments.

## 21.2.2 Interest rate and currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the income statement, since the Group has taken derivatives for offsetting the foreign currency & interest rate exposure.

For foreign currency and interest rate sensitivity refer Note 37.

Particulars	Average Rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.48%	542,731	86,577	456,154
USD	5.05%	372,361	88,598	283,763
Euro	3.73%	121,037	-	121,037
CHF	3.00%	22,705	-	22,705
XAF	6.56%	5,893	-	5,893
XOF	7.10%	5,180	-	5,180
Others	11.06% to 25.74%	7,224	4,886	2,338
<b>March 31, 2017</b>		<b>1,077,131</b>	<b>180,061</b>	<b>897,070</b>
INR	9.95%	365,771	22,377	343,394
USD	4.78%	424,973	133,185	291,788
Euro	3.68%	136,356	4,715	131,641
CHF	3.00%	24,211	-	24,211
NGN	17.75%	6,491	6,491	-
XAF	7.26%	9,438	-	9,438
XOF	6.79%	5,831	-	5,831
BDT	9.88%	18,485	513	17,972
Others	8.91% to 25.7%	7,299	5,797	1,502
<b>March 31, 2016</b>		<b>998,855</b>	<b>173,078</b>	<b>825,777</b>
INR	10.06%	178,537	35,207	143,330
USD	3.40%	404,491	243,833	160,658
Euro	3.58%	135,796	18,639	117,157
CHF	3.00%	22,544	-	22,544
NGN	15.56%	31,864	31,423	441
XAF	7.03%	11,077	-	11,077
XOF	8.58%	7,710	-	7,710
BDT	10.77%	10,297	242	10,055
Others	8.64% to 27%	6,239	2,981	3,258
<b>April 1, 2015</b>		<b>808,555</b>	<b>332,325</b>	<b>476,230</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 21.3 Security details

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The details of security provided by the Group in various countries are as follows:

Entity	Outstanding loan amount			Security Detail
	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015	
Bharti Airtel Ltd	31	20	19	Hypothecation of vehicles
				(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.
Airtel Bangladesh Ltd (refer Note 5 (b))	-	26,289	21,731	(iii) Corporate Guarantee by BAHSP (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSP 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).
Bharti Airtel Africa BV and its subsidiaries	12,128	18,062	59,349	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana and Rwanda .
				(ii) Pledge of specific fixed assets - Chad.
	<b>12,159</b>	<b>44,371</b>	<b>81,099</b>	

### Africa operations acquisition related borrowing:

Borrowings include certain loans which have been taken to refinance the Africa acquisition related borrowing. These loan agreements contains a negative pledge covenants that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest or any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro bonds due in 2018 and USD bonds due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness and all bonds 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 bonds 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 bonds due in 2018 and USD bonds due in 2023 gets suspended on bonds meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements. The other bonds issued do not carry any restrictions on the limitation of indebtedness.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 21.4 Unused lines of credit \*

The below table provides the details of un-drawn credit facilities that are available to the Group.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Secured	57	19,909	20,253
Unsecured	194,592	156,999	160,722
	<b>194,649</b>	<b>176,908</b>	<b>180,975</b>

\* Excluding non-fund based facilities.

## 22. Financial liabilities - others

### Non Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equipment supply payables	-	264	939
Security deposits	1,237	1,013	849
Lease rent equalisation	13,377	12,671	11,109
Others	1,067	2,136	1,640
	<b>15,681</b>	<b>16,084</b>	<b>14,537</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equipment supply payables	65,860	103,988	102,787
Employees payables	5,364	6,509	4,212
Interest accrued but not due	5,960	6,599	6,802
Security deposit*	4,148	4,492	4,304
Others	7,476	9,592	9,201
	<b>88,808</b>	<b>131,180</b>	<b>127,306</b>

\* It pertains to deposits received from subscriber / channel partners which are repayable on disconnection, net of outstanding, if any.

'Others' include payable to Qualcomm Asia Pacific Pte. Limited of ₹ 4,104 towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile ABSPL. It also includes non-interest bearing advance received from customers and international operators, liability towards cash settled employee share based payment plans and payment bank related liabilities.

## 23 Provisions

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Asset retirement obligation	5,786	5,761	6,127
Gratuity	2,572	2,590	2,322
Compensated absence	1,158	1,127	1,071
Other employee benefit plans	170	204	194
	<b>9,686</b>	<b>9,682</b>	<b>9,714</b>
Non-current	7,471	7,350	7,648
Current	2,215	2,332	2,066
	<b>9,686</b>	<b>9,682</b>	<b>9,714</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement of provision towards asset retirement obligation is as below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	5,761	6,127
Additions	553	175
Interest cost	248	286
Disposal's of tower operations (refer Note 18)	(776)	(827)
	<b>5,786</b>	<b>5,761</b>

Refer note 28 for movement of provision towards employee benefits.

Due to large number of lease arrangements of the Group, the range of expected period of outflows of provision for asset retirement obligation is significantly wide.

The movement of provision towards subjudice matters is as below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	113,436	86,531
Net additions	17,625	26,905
<b>Closing balance</b>	<b>131,061</b>	<b>113,436</b>

The said provision has been disclosed under:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Other non-financial assets (refer Note 15)	48,915	42,096	34,424
Other non-financial liabilities (refer Note 24)	4,619	4,318	3,529
Trade payables (refer Note 25)	77,527	67,022	48,578
	<b>131,061</b>	<b>113,436</b>	<b>86,531</b>

## 24 Other non - financial liabilities

### Non-current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Deferred rent	727	691	630
Others	-	836	836
	<b>727</b>	<b>1,527</b>	<b>1,466</b>

### Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Taxes payable	25,961	21,844	15,898
Others#	8,809	-	-
	<b>34,770</b>	<b>21,844</b>	<b>15,898</b>

# includes dividend payable to NCI ₹ 8,512 by one of the subsidiary.

Taxes payable mainly pertains to service tax, sales tax, other taxes payable and provision towards sub judice matters (refer Note 23).

## 25 Trade payables

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Trade payables*	268,537	255,806	215,896

Trade payables include provision towards subjudice matters refer Note 23.

\*Includes amount due from related party refer Note 36.



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 26 Contingent liabilities and commitments

### (i) Contingent liabilities

Claims against the company not acknowledged as debt:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)			
-Sales Tax and Service Tax	39,085	40,214	38,225
-Income Tax	20,150	19,746	20,130
-Customs Duty	5,899	6,601	6,136
-Entry Tax	9,252	8,201	6,957
-Stamp Duty	596	596	603
-Municipal Taxes	1,276	1,114	863
-Department of Telecom ('DoT') demands *	37,560	5,273	5,020
-Other miscellaneous demands	8,000	7,105	2,133
(ii) Claims under legal cases including arbitration matters			
-Access Charges / Port Charges	9,371	8,761	7,443
-Others	3,631	4,370	5,703
	<b>134,820</b>	<b>101,981</b>	<b>93,213</b>

Further, refer Note f (iv), (v), (vi) and g below for other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is ₹ 17,507, ₹ 12,032 and ₹ 9,083 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

The category wise detail of the contingent liability has been given below:-

#### a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations which were 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 under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

#### b) Income tax demand

Income tax demands mainly include 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 payments to international operators for access charges.

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

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly,

the Company filed a petition against the demand with the TDSAT which allowed payments by the Group based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

#### 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 on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

## 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.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Company has decided to maintain status-quo on its position and hence continued to disclose it as contingent liability.

## f) DoT demands

- (i) DoT demands include Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. However, the Hon'ble High Courts vide interim orders in 2012 had permitted the Group to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. Further, TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Group along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DoT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial year 2006-07, 2007-08, 2008-09 and 2009-10.
- (ii) 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.
- (iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

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 and does not expect any financial impact due to these matters.

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

- (iv) Post the Hon'ble Supreme Court Judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. Further as stated in point (i) above, the interpretation as to the components of AGR (including the above component) is subject to litigation and the Hon'ble High Courts vide interim orders in 2012 had permitted the Group to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. The matter is currently pending adjudication of the matter by Hon'ble Supreme Court.
  - (v) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 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 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. The Company, based on independent legal opinions, till date has not given any effect to the above demand.
- (vi) DoT had issued notices to the Company (as well as 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 and levied a financial penalty of ₹ 3,500 on the Company. The Company contested the notices and upon various rounds of litigations, in response to which TDSAT in 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 before the Hon'ble Supreme Court which is yet to be listed for hearing.

## 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 since 2010 been a subsidiary of Bharti

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Airtel Nigeria B.V. ('BANBV'), which is an indirect subsidiary of Bharti Airtel Limited. Airtel Networks and / or BANBV have since 2010 been defending cases filed by Econet Wireless Limited ('EWL') where EWL was claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

EWL inter alia commenced arbitral proceedings in Nigeria contesting the acquisition by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V. – 'BANBV') of the controlling stake in Airtel Networks Limited in 2006, wherein BANBV was one of the defendants. The Final Award ('FA') by the Arbitral Tribunal as to the same was pronounced in 2014. Subsequently, various applications were filed to challenge / enforce the FA in the High Court and the Supreme Court of Nigeria by BANBV and Econet respectively. Further, EWL had filed conservatory attachment proceedings in the Netherlands against BANBV for enforcement of the Final Award, and also pursuing a claim for compensation against BANBV's parent (Bharti Airtel Nigeria Holdings II B.V.) and Grandparent (Bharti Airtel Africa B.V.) alleging that these entities acted unlawfully and induced breach of contract by the selling shareholders. Separately, Airtel Networks Limited was a defendant in an action where EWL was claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

Under the 2010 share purchase agreement, the Group had certain indemnities from Zain BV in relation to these proceedings. In 2016, the Group had initiated arbitration against Zain B.V. and its guarantor, Mobile Telecommunications Company in relation to the said indemnities under the share purchase agreement.

During the year ended March 31, 2017, Zain and Company has entered into an agreement to settle these matters along with other tax cases covered under indemnities. Separately, the Company and EWL have entered into an agreement to settle all these disputes and consequent withdrawal of all the proceedings in all courts across all jurisdictions. The net settlement amount as adjusted for the related indemnification assets and provisions resulted in

a loss of ₹ 732 which has been recognised and disclosed as an exceptional item.

## Guarantees:

Guarantees outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015 amounting to ₹ 129,131, ₹ 106,255 and ₹ 112,525, respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above, the Group's share of guarantees of joint ventures and associates is ₹ 396, Nil and Nil as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

## (ii) Commitments

### Capital Commitments

Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 102,008, ₹ 74,061 and ₹ 343,859 (including ₹ Nil, ₹ 10,970 and ₹ 244,040 towards spectrum) as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

The above includes ₹ 155, ₹ 2,537 and ₹ 38,083 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively pertaining to certain 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 four 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.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is ₹ 4,684, ₹ 1,624 and ₹ 1,214 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

## Lease Commitments

### a) Operating Lease

The future minimum lease payments are as follows:-

#### As lessee

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	64,929	58,732	51,007
Later than one year but not later than five years	248,872	173,036	174,444
Later than five years	99,439	88,217	82,463
	<b>413,240</b>	<b>319,985</b>	<b>307,914</b>
Lease Rentals	68,333	65,174	
Lease equalisation adjustments	2,550	1,445	

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The future minimum lease payments obligation disclosed above include the below future minimum lease payments obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the Parent and its subsidiaries, with a joint venture of the Group.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	41,639	38,053	35,511
Later than one year but not later than five years	159,691	97,262	117,671
Later than five years	31,677	25,779	24,640
	<b>233,007</b>	<b>161,094</b>	<b>177,822</b>

Certain lease agreements have escalation clause upto 25%, includes option of renewal from 1 to 15 years.

*As lessor*

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	21,424	19,835	16,761
Later than one year but not later than five years	85,126	70,185	64,870
Later than five years	37,345	32,648	29,777
	<b>143,895</b>	<b>122,668</b>	<b>111,408</b>

## b) Finance Lease

*As lessee*

Finance lease obligation of the Group as of March 31, 2017 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	10,416	5,446	4,970
Later than one year but not later than five years	40,117	16,449	23,668
Later than five years	33,221	5,689	27,533
	<b>83,754</b>	<b>27,584</b>	<b>56,171</b>

Finance lease obligation of the Group as of March 31, 2016 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	10,161	5,415	4,746
Later than one year but not later than five years	38,263	16,973	21,290
Later than five years	39,380	7,545	31,835
	<b>87,804</b>	<b>29,933</b>	<b>57,871</b>

Finance lease obligation of the Group as of April 1, 2015 is as follows:

Particulars	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>2,379</b>	<b>751</b>	<b>1,628</b>

Certain lease arrangements have escalation clause upto 7.5% and includes option of renewal in block of 3 years.

*As lessor*

The future minimum lease payments receivable of the Group as of March 31, 2017 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
Later than five years	-	-	-
	<b>322</b>	<b>42</b>	<b>279</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

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

Particulars	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
Later than five years	-	-	-
	<b>423</b>	<b>70</b>	<b>353</b>

The future minimum lease payments receivable of the Group as of April 1, 2015 is as follows:-

Particulars	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
Later than five years	-	-	-
	<b>168</b>	<b>30</b>	<b>138</b>

## 27 Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Service revenue	951,213	959,451
Sale of products	3,470	5,870
	<b>954,683</b>	<b>965,321</b>

## 28 Employee benefits

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries	37,300	40,795
Contribution to provident and other funds	1,746	2,179
Staff welfare expenses	1,617	2,549
Defined benefit plan/ other long term benefits	887	926
Employee Share-based payment expense		
- Equity-settled plans	337	248
- Cash-settled plans	61	750
Others	1,084	1,661
	<b>43,032</b>	<b>49,108</b>

### 28.1 Share based payment plans

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

Scheme	Plan	Vesting period (years)	Contractual term (years)
<b>Equity settled Plans</b>			
<b>Scheme I</b>	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
<b>Cash settled Plans</b>			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2016	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are as follows:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of share options (‘000)	Weighted average exercise price (₹)	Number of share options (‘000)	Weighted average exercise price (₹)
<b>2006 Plan</b>				
Outstanding at beginning of year	305	5.00	390	5.00
Granted	-	-	-	-
Exercised	(100)	5.00	(75)	5.00
Forfeited / Expired	-	-	(10)	5.00
Outstanding at end of year	205	5.00	305	5.00
Exercisable at end of year	36	5.00	30	5.00
<b>2008 Plan &amp; AGP</b>				
Outstanding at beginning of year	639	402.50	2,534	355.45
Granted	-	-	-	-
Exercised	-	-	(686)	334.89
Forfeited / Expired	(639)	402.50	(1,209)	342.24
Outstanding at end of year	-	-	639	402.50
Exercisable at end of year	-	-	639	402.50
<b>PSP 2009 Plan</b>				
Outstanding at beginning of year	53	5.00	83	5.00
Granted	-	-	-	-
Exercised	(37)	5.00	(22)	5.00
Forfeited / Expired	(10)	5.00	(8)	5.00
Outstanding at end of year	6	5.00	53	5.00
Exercisable at end of year	6	5.00	53	5.00
<b>Special ESOP &amp; RSU Plan</b>				
Outstanding at beginning of year	126	5.00	189	5.00
Granted	-	-	-	-
Exercised	(91)	5.00	(44)	5.00
Forfeited / Expired	(1)	5.00	(19)	5.00
Outstanding at end of year	34	5.00	126	5.00
Exercisable at end of year	34	5.00	126	5.00
<b>Infratel 2008 Plan</b>				
Outstanding at beginning of year	732	109.67	3,834	109.67
Granted	-	-	-	-
Exercised	(564)	109.67	(3,078)	109.67
Forfeited / Expired	(10)	109.67	(24)	109.67
Outstanding at end of year	158	109.67	732	109.67
Exercisable at end of year	158	109.67	732	109.67
<b>LTI Plans</b>				
Outstanding at beginning of year	1,709	5.00	523	5.00
Granted	820	-	1,576	5.00
Exercised	(308)	5.00	(201)	5.00
Forfeited / Expired	(219)	5.00	(189)	5.00
Outstanding at end of year	2,002	5.00	1,709	5.00
Exercisable at end of year	358	5.00	208	5.00
<b>Infratel LTI plans</b>				
Number of shares under option:				
Outstanding at beginning of year	94	10.00	6	10.00
Granted	105	10.00	90	10.00
Exercised	(19)	10.00	(2)	10.00
Expired	-	-	-	-
Forfeited / Expired	(5)	10.00	-	10.00
Outstanding at end of year	175	10.00	94	10.00
Exercisable at end of year	11	10.00	4	10.00
<b>Performance Unit Plans</b>				
Number of shares under option:				
Outstanding at beginning of year	5,231	-	7,221	-
Granted	366	-	1,056	-
Exercised	(1,442)	-	(873)	-
Forfeited / Expired	(1,786)	-	(2,174)	-
Outstanding at end of year	2,369	-	5,231	-
Exercisable at end of year	25	-	37	-

## Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Entity	Plan	Weighted average remaining contractual life for the options outstanding as of (years)			Weighted Average fair value for the options granted during the year ended (₹)			Weighted average share price for the options exercised during the year ended (₹)		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Equity settled Plans										
Bharti Airtel	2006 Plan	4.07	5.00	5.86	-	-	361.19	316.50	350.45	371.70
Bharti Airtel	2008 Plan & AGP	-	0.25	0.63	-	-	-	-	397.45	383.30
Bharti Airtel	PSP 2009 Plan	0.34	0.69	1.87	-	-	-	346.84	367.51	352.26
Bharti Airtel	Special ESOP & RSU Plan	0.10	1.20	2.26	-	-	-	329.91	319.66	350.09
Bharti Airtel	LTI Plan (2011, 2012, 2015 & 2016)	5.65	5.98	4.27	338.50	398.32	291.63	296.90	348.28	368.36
Bharti Infratel	2008 Plan	0.25	1.95	1.95	-	-	-	348.64	394.02	262.40
Bharti Infratel	LTI Plan (Part of 2008 Plan, 2015 & 2016))	5.90	6.20	4.42	318.70	414.41	-	402.31	394.02	262.40
Cash settled Plans										
Bharti Airtel	PUP 2013 - PUP 2016	1.30	1.88	2.52	304.34	342.75	383.86	457.60	420.81	354.24
Bharti Infratel	Performance Unit Plan	3.34	4.34	5.34	-	-	336.29	486.77	439.11	262.40

The carrying value of cash settled plans liability is ₹ 752, ₹ 1,230 and ₹ 799 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Risk free interest rates	5.79% to 7.1%	6.86% to 7.87%
Expected life	4 to 76 months	4 to 60 months
Volatility	27.08% to 38.94%	26.63% to 37.23%
Dividend yield	0.39% to 1.83%	0.54% to 1.44%
Wtd average exercise price (₹)	0-10	0-10

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 28.2 Defined benefit plans

The details of defined benefit obligations and plan assets are as follows:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Compensated absence	Gratuity	Compensated absence
<b>Obligation:</b>				
Balance as at beginning of the year	2,656	1,127	2,426	1,071
Current service cost	412	234	416	233
Interest cost	207	84	209	92
Benefits paid	(541)	(163)	(494)	(209)
Transfers	(189)	(79)	(22)	1
Remeasurements	73	(45)	121	(61)
<b>Present value of funded obligation</b>	<b>2,618</b>	<b>1,158</b>	<b>2,656</b>	<b>1,127</b>
<b>Assets:</b>				
Balance as at beginning of year	66	-	104	-
Interest income	5	-	9	-
Benefits paid	(25)	-	(39)	-
Remeasurements	(0)	-	(8)	-
<b>Fair value of plan assets</b>	<b>46</b>	<b>-</b>	<b>66</b>	<b>-</b>
<b>Liability recognised in the balance sheet</b>	<b>2,572</b>	<b>1,158</b>	<b>2,590</b>	<b>1,127</b>
<b>Current portion</b>	<b>616</b>	<b>1,158</b>	<b>563</b>	<b>1,127</b>
<b>Non-current portion</b>	<b>1,956</b>	<b>-</b>	<b>2,027</b>	<b>-</b>

The expected contribution for the year ended March 31, 2017 and 2016 for Gratuity plan is ₹ 583 and ₹ 225, respectively.

### Amount recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Experience losses	41	121
Gains from change in demographic assumptions	(31)	-
Losses from change in financial assumptions	63	-
<b>Remeasurements on Liability</b>	<b>73</b>	<b>121</b>
Return on plan assets, excluding interest income	(0)	(8)
<b>Remeasurements on plan assets</b>	<b>(0)</b>	<b>(8)</b>
<b>Net remeasurements recognised in OCI</b>	<b>73</b>	<b>129</b>

The above mentioned plan assets are entirely represented by funds invested with LIC.

### Due to its defined benefit plans, the Group is exposed to the following significant risks:

**Changes in bond yields** - A decrease in bond yields will increase plan liability.

**Salary risk** - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:**

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Discount rate	7.40%	8.00%	8.50%
Rate of return on plan assets	7.40%	9.00%	8.00%
Rate of salary increase	10.00%	10.00%	10.00%
Rate of attrition	21% to 29%	20% to 23%	22% to 28%
Retirement age	58	58	58

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

Particulars	Change in assumption	As of March 31, 2017		As of March 31, 2016	
		Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	(89)	(49)	(243)	(98)
	-1%	96	54	267	107
Salary Growth Rate	+1%	93	52	265	104
	-1%	(88)	(48)	(246)	(98)

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Within one year	662	611	603
Within one-three years	709	679	621
Within three-five years	413	787	689
above five years	834	579	513
	<b>2,618</b>	<b>2,656</b>	<b>2,426</b>
Weighted average duration (in years)	3.42	3.75	3.69

## 29 Network operating expenses / sales and marketing expenses / other expenses

### a. Network operating expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Internet, bandwidth and leasedline charges	7,785	7,776
Passive infrastructure charges	78,490	74,531
Power and fuel	72,946	69,049
Repair and maintenance	45,612	49,669
Others	4,321	542
	<b>209,154</b>	<b>201,567</b>

### b. Sales and marketing expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Advertisement and marketing	14,440	20,648
Sales commission and distribution expenses	48,588	51,321
Business promotion	4,812	6,211
Others	3,560	4,230
	<b>71,400</b>	<b>82,410</b>

### c. Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Content cost	21,507	22,775
Customer care expenses	7,357	9,170
Legal and professional fees	6,535	7,048
Provision for doubtful debts	7,635	4,141
Bad debts written off	873	4,960
Cost of good sold	4,406	6,053
Charity and donation*	1,702	1,233
Rates and taxes	2,752	2,115
Travelling and conveyance	2,989	3,666
IT expenses	10,012	7,349
Collection and recovery expenses	3,987	3,869
Diminution in value of inventory	170	288
Others	12,328	15,376
	<b>82,253</b>	<b>88,043</b>

\* includes ₹ 220 and ₹ 310 paid to Satya Electoral Trust for political purpose for the year ended March 31, 2017 and 2016, respectively.

Other includes printing and stationary, security, rent and communication expenses.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 30 Depreciation and amortisation

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation*	142,585	135,280
Amortisation	55,145	39,218
	<b>197,730</b>	<b>174,498</b>

\*includes impact of reassessment of useful life, refer note 3.1 c.

## 31 Finance costs and income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Finance costs</b>		
Interest expense	67,131	47,472
Net loss on derivative financial instruments	13,231	-
Net exchange loss	3,624	16,852
Net fair value loss on financial instruments (fair value hedges)	-	9,785
Other finance charges	11,480	11,352
	<b>95,466</b>	<b>85,461</b>
<b>Finance income</b>		
Dividend from mutual funds	279	118
Interest income	3,207	5,526
Net gain on FVTPL investments	5,154	2,209
Net fair value gain on financial instruments (fair value hedges)	9,852	-
Net gain on derivative financial instruments	-	8,473
	<b>18,492</b>	<b>16,326</b>

'Interest income' includes ₹ 46 and ₹ 355 towards unwinding of discount on security deposits for the years ended March 31, 2017 and 2016, respectively.

'Other finance charges' include bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes ₹ 110 and ₹ 99 towards unwinding of discount on other financial liabilities for the years ended March 31, 2017 and 2016, respectively.

## 32 Non-operating expense (net)

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies.

Non-operating income pertains to certain fee income in one of the group entities.

- e. Net charge of ₹ 9,460 relating to the translation to impact in Nigeria due to the new flexible exchange rate regime.
- f. Net gain of ₹ 1,641 (net of related expenses) pertaining to the divestment of stake in Bangladesh and charge of ₹ 540 due to share in the post-merger restructuring activities (refer Note 5 (b)(i)).

## 33 Exceptional Items

Exceptional items comprises of the following:

### (i) For the year ended March 31, 2017:

- a. Net gain of ₹ 10,157 pertaining to the divestment of Group's operations in Burkina Faso and Sierra Leone, telecom towers in DRC and Niger and an African associate (viz. Tanzania Telecommunications Company Limited) (refer Note 5 (b) and (c)).
- b. Net charge of ₹ 6,881 due to settlement of past litigations, regulatory levies, vendor claims, reconciliation of balances, restructuring activities and tax related contingent liability.
- c. Charge of ₹ 3,356 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program.
- d. Charge of ₹ 3,258 resulting from reassessment of the useful life of certain categories of network assets of the group due to technologies advancements. Refer Note 3.1.c.

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

- a. Net gain of ₹ 38,505 pertaining to the divestment of telecom tower assets in Kenya, Zambia, Uganda, Ghana, Congo Brazzaville and Nigeria (refer Note 18), net of cash flow hedge reserve amounting to ₹ 1,440 reclassified to statement of profit and loss (refer Note 20).
- b. Charge for regulatory fee provisions of ₹ 2,712 arising out of re-assessment of certain positions.
- c. Charge of ₹ 2,096 towards de-recognition of embedded derivative assets and ₹ 1,124 arising from amendment of tenure and in various terms of the related long-term contract.
- d. Charge for provision against certain disputed receivables/expired claims amounting to ₹ 2,829.
- e. Charge of ₹ 3,713 towards restructuring activities in a few countries.
- f. Charge of ₹ 4,290 towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Tax expenses include:

- Tax benefit of ₹ 5,163 and tax expense of ₹ 6,337 during the year ended March 31, 2017 and 2016 respectively on above exceptional items.
- Tax benefit of ₹ 4,248 during the year ended March 31, 2017 on account of recognition of

deferred tax on earlier business combination and assessment of tax provisions.

Profit / (loss) attributable to non-controlling interests include benefit of ₹ 2,147 and expense of ₹ 2,621 during the year ended March 31, 2017 and 2016 respectively, relating to the above exceptional items.

## 34 Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	(Shares in thousands)	
	As of March 31, 2017	As of March 31, 2016
Weighted average shares outstanding for basic EPS	3,995,817	3,995,870
Effect of dilution due to employee share options	1,359	784
<b>Weighted average shares outstanding for diluted EPS</b>	<b>3,997,176</b>	<b>3,996,654</b>

Profit attributable to equity holders for basic and diluted EPS is ₹ 37,998 and ₹ 60,767 for the year ended March 31, 2017 and 2016, respectively.

## 35 Segment Reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (chief operating decision maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues eliminated upon consolidation of segments / group accounting policy alignments are reflected in the eliminations / adjustment column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles assets, intangible assets under development, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

Effective April 1, 2016, the company has realigned the reporting of its corporate data and fixed line business with Airtel business and accordingly, renamed Telemedia Service to Homes Services. Further, effective January 1, 2017, the company has moved the reporting of Airtel Payment Bank operations to Others segment from Mobile Services India. The historical periods have been restated for the above mention segmental changes to make them comparable.

The revised 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.

**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. This also includes corporate headquarter costs of the Group's Africa operations.

**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.

**Homes Services:** These services cover voice and data communications through fixed-line network and broadband technology.

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

**Others:** It includes administrative and support services provided to other segments and also include Airtel Payment Bank Operations.

Unallocated items include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group, current taxes, deferred taxes and certain financial assets and liabilities, not allocated to the operating segments.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Consolidated
Revenue from external customers	543,901	11,198	214,093	94,855	28,384	27,223	34,240	718	-	71	954,683
Inter-segment revenue	21,610	545	5,475	14,574	32,445	295	66	3,018	-	(78,028)	-
<b>Total revenues</b>	<b>565,511</b>	<b>11,743</b>	<b>219,568</b>	<b>109,429</b>	<b>60,829</b>	<b>27,518</b>	<b>34,306</b>	<b>3,736</b>	-	<b>(77,957)</b>	<b>954,683</b>
Share of results of joint ventures and associates	9	(642)	-	-	11,949	-	-	-	-	(867)	10,449
Segment results	105,494	(4,660)	10,189	22,737	29,195	6,868	3,577	(2,481)	(1,433)	(2,263)	167,223
Finance costs	-	-	-	-	-	-	-	-	-	-	95,466
Finance income	-	-	-	-	-	-	-	-	-	-	(18,492)
Non - operating expense (net)	-	-	-	-	-	-	-	-	-	-	1,319
Exceptional items (refer note 33)	-	-	-	-	-	-	-	-	-	-	11,697
<b>Profit before tax</b>	-	-	-	-	-	-	-	-	-	-	77,233
<b>Other segment items</b>	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	(380,011)	(1,801)	(25,235)	(17,142)	(9,829)	(19,649)	(8,608)	(19)	(1,597)	21,204	(442,687)
Depreciation and amortisation	(121,189)	(4,256)	(41,894)	(11,024)	(11,658)	(6,080)	(8,642)	(49)	0	7,062	(197,730)
<b>As of March 31, 2017</b>	-	-	-	-	-	-	-	-	-	-	-
Segment assets	1,642,949	29,048	556,281	331,833	210,023	311,890	22,935	9,327	114,882	(901,666)	2,327,502
Segment liabilities	722,363	7,968	226,314	180,624	47,535	246,864	28,341	5,083	1,039,065	(919,968)	1,584,189
Investment in joint ventures and associates (included in segment assets)	52	22,567	-	-	59,409	-	-	249	-	-	82,277

Summary of the segmental information for the year ended as of March 31, 2016 and April 1, 2015 is as follows:

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Consolidated
Revenue from external customers	542,037	15,866	245,775	82,156	25,051	24,739	29,119	234	-	344	965,321
Inter-segment revenue	18,600	588	5,558	14,837	30,537	327	59	3,212	-	(73,718)	-
<b>Total revenues</b>	<b>560,637</b>	<b>16,454</b>	<b>251,333</b>	<b>96,993</b>	<b>55,588</b>	<b>25,066</b>	<b>29,178</b>	<b>3,446</b>	-	<b>(73,374)</b>	<b>965,321</b>
Share of results of joint ventures and associates	10	-	-	-	11,069	-	-	4	-	(417)	10,666
Segment results	128,320	(6,394)	4,909	18,853	25,506	5,682	1,843	(556)	(1,544)	262	176,881
Finance costs	-	-	-	-	-	-	-	-	-	-	85,461
Finance income	-	-	-	-	-	-	-	-	-	-	(16,326)
Non - operating expense (net)	-	-	-	-	-	-	-	-	-	-	1,024
Exceptional items (refer note 33)	-	-	-	-	-	-	-	-	-	-	(21,741)
<b>Profit before tax</b>	-	-	-	-	-	-	-	-	-	-	128,463
<b>Other segment items</b>	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	(372,416)	(3,465)	(58,955)	(15,610)	(9,900)	(6,646)	(11,067)	(7)	(932)	11,144	(467,854)
Depreciation and amortisation	(90,528)	(5,593)	(47,857)	(11,436)	(11,550)	(4,927)	(8,132)	(178)	0	5,703	(174,498)
<b>As of March 31, 2016</b>	-	-	-	-	-	-	-	-	-	-	-
Segment assets	1,489,052	47,038	710,446	229,437	209,382	168,010	22,756	4,950	181,847	(805,686)	2,257,232
Segment liabilities	625,414	31,499	278,878	129,797	19,806	110,033	46,958	3,146	1,107,281	(818,254)	1,534,558
Investment in joint ventures and associates (included in segment assets)	43	-	-	-	60,947	-	-	-	-	-	60,990
<b>As of April 1, 2015</b>	-	-	-	-	-	-	-	-	-	-	-
Segment assets	1,249,164	47,416	678,806	170,321	202,444	105,756	19,125	2,762	237,443	(747,502)	1,965,735
Segment liabilities	407,037	29,076	205,181	88,834	18,798	51,167	54,550	2,506	1,185,717	(759,334)	1,283,532
Investment in joint ventures and associates (included in segment assets)	30	-	-	-	51,814	-	-	92	-	-	51,936

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
<b>Unallocated assets comprise of :</b>			
Derivative financial assets	6,792	18,764	8,510
Deferred tax asset	26,262	46,738	59,502
Current tax assets	21,454	11,570	5,721
Inter-segment loans / receivables	32,302	89,135	100,194
Other investments	-	8	47,567
Others	28,072	15,632	15,949
<b>Total</b>	<b>114,882</b>	<b>181,847</b>	<b>237,443</b>
<b>Unallocated liabilities comprise of :</b>			
Borrowings	578,529	605,231	659,696
Derivative financial liabilities	5,061	1,939	792
Deferred tax liability	9,429	12,512	13,077
Current tax liabilities	6,089	9,296	9,271
Inter-segment loans / payables	404,411	463,575	491,026
Others	35,546	14,728	11,855
<b>Total</b>	<b>1,039,065</b>	<b>1,107,281</b>	<b>1,185,717</b>

## Geographical information:

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

### (a) Revenue from external customers:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
India	708,462	685,735
Africa	214,093	245,775
Others	32,128	33,811
	<b>954,683</b>	<b>965,321</b>

### (b) Non-current operating assets:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
India	1,409,162	1,112,037	826,916
Africa	466,539	614,895	587,733
Others	15,035	53,016	53,017
	<b>1,890,736</b>	<b>1,779,948</b>	<b>1,467,666</b>

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, other intangible assets and intangible assets under development.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 36 Related party disclosures

### (a) List of related parties

-For list of subsidiaries, joint venture and associates refer Note no. 40.

#### - Entities having significant influence over the Company

Singapore Telecommunications Limited

Pastel Limited

Bharti Telecom Limited

#### - Other related parties\*

#### (i) Entities where Key Management Personnel and their relatives exercise significant influence

Bharti Foundation

Bharti Airtel Employees Welfare Trust

Hike Private Limited (formerly known as Hike Limited)

Cedar Support Services Limited

#### (ii) Group Companies

Brightstar Telecommunication India Limited (Formerly known as Beetel Teletech Limited)

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

Bharti Realty Holdings Limited

Bharti Realty Limited

Future Retail Limited (ceased w.e.f. May 01, 2016)

Deber Technologies Private Limited (Formerly known as Ignite World Private 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

Nile Tech Limited

Y2CF Digital Media Limited

Bharti Enterprises Limited

Atrium Restaurants India Private Limited

Bharti Land Limited

Centum Work skills India Limited

Oak Infrastructure Developers Limited

Gourmet Investments Private Limited

#### - Key Management Personnel (KMP)

Sunil Bharti Mittal

Gopal Vittal

Christian de Faria (until December 31, 2016)

Raghunath Mandava (w.e.f. January 1, 2017)

\* 'Other related parties' though not 'Related Parties' as per the definition under IND AS 24, Related party disclosure's have been included by way of a voluntary disclosure, following the best corporate governance practices.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

In the ordinary course of business, there are some transactions among the Group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with balance related parties for the years ended March 31, 2017 and 2016, respectively, are described below:

## (b) The summary of transactions with the above mentioned parties is as follows:

Relationship	For the Year ended							
	March 31, 2017			March 31, 2016				
	Significant influence entities	Associates	Joint Ventures	Other related parties	Significant influence entities	Associates	Joint Ventures	Other related parties
Purchase of assets	-	-	-	(3,329)	-	-	-	(2,475)
Sale / Rendering of services	1,433	6	77	294	1,313	125	36	385
Purchase of goods / Receiving of services	(496)	(9)	(42,385)	(3,220)	(629)	(928)	(38,633)	(4,831)
Reimbursement of energy expenses	-	-	(26,090)	(3)	-	-	(23,219)	(4)
Loans to related party	-	-	-	-	-	-	5	40
Loan repayment	-	-	-	-	-	(14)	-	-
Expenses incurred by the Group on behalf of related party	-	-	31	0	-	5	14	42
Expenses incurred by related party for the Group	-	-	(99)	(413)	-	-	(113)	(355)
Security deposit paid	-	-	95	37	-	-	125	73
Refund of security deposit	-	-	-	-	-	-	(4)	(32)
Interest income on loan	-	-	0	-	-	21	0	1
Claim received	-	-	-	-	-	-	-	72
Dividend paid	(3,255)	-	-	(362)	(5,199)	-	-	(590)
Dividend received	-	-	9,510	-	-	-	-	-



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## (c) The outstanding balances are as follows:

Particulars	Significant influence entities	Associates	Joint ventures	Other related parties
<b>As of March 31, 2017</b>				
Trade Payables	(490)	(4)	(11,310)	(532)
Trade Receivables	129	-	1	216
Other financial assets - Loans given	-	-	5	-
Security Deposit	-	-	3,903	1,050
<b>As of March 31, 2016</b>				
Trade Payables	(534)	(613)	(8,733)	(718)
Trade Receivables	233	-	24	383
Other financial assets - Loans given	-	-	5	40
Security Deposit	-	-	3,808	1,010
<b>As of April 1, 2015</b>				
Trade Payables	(437)	(146)	(8,928)	(758)
Trade Receivables	342	125	240	202
Other financial assets - Loans given	-	466	-	47
Security Deposit	-	-	3,685	974

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) In addition to the above, ₹ 1,227 and ₹ 830 donation has been given to Bharti Foundation during the year ended March 31, 2017 and 2016, respectively.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-Term employee benefits	305	274
Performance linked incentive ('PLI')#	168	153
Post-Employment benefits	26	24
Share-based payment	62	57
	<b>561</b>	<b>508</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 ₹ 28 and ₹ 29 has been recorded in the books towards PLI for the year ended March 31, 2017 and 2016, respectively. During the year ended March 31, 2017, PLI of ₹ 150 (March 31, 2016: ₹ 143) pertaining to previous year has been paid.

In addition to above ₹ 313 thousand during the year ended March 31, 2017 and ₹ 322 thousand during the year ended March 31, 2016 have been paid as equity dividend to key management personnel.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

## 37 Financial and Capital risk

### 1. Financial Risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close

co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The Group policy requires for material items to be established under effective hedge relationships by ensuring that the critical terms of the hedging

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The company uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

## (i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables

denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 21. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer Note 11.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the Cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

## a) Cash Flow hedge

Particulars	March 31, 2017		March 31, 2016	
	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Currency exchange risk hedged	Euro 870 Mn	CHF 350 Mn	Euro 720 Mn	CHF 300 Mn
Nominal amount of hedging instruments	December 2018	March 2020	December 2018	March 2020
Maturity date	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.13 USD	1 CHF: 1.12 USD
Weighted average forward price	131	-	2,687	500
Carrying value of derivative instruments (assets)	908	620	-	-
Carrying value of derivative instruments (liabilities)				
Change in fair value during the year				
Hedged Item	3,534	1,141	(2,675)	(523)
Hedging Instrument	(3,534)	(1,141)	2,675	523
CFHR for continuing Hedge	214	(82)	(331)	(393)
Hedging gain / (loss) recognised during the period	(3,534)	(1,141)	2,675	523
(Loss) / gain reclassification during the period to P&L	4,079	1,453	(3,005)	(917)

## b) Net investment hedge

Particulars	March 31, 2017		March 31, 2016	
	Euro to USD	USD to INR	Euro to USD	USD to INR
Currency exchange risk hedged	Euro 400 Mn	USD 1578 Mn	Euro 733 Mn	USD 1816 Mn
Nominal amount of hedging instruments	27,738	102,308	55,337	120,333
Carrying value of hedging instruments (Borrowings)	May 2021	February 2025 - September 2026	May 2021	February 2025 - October 2025
Maturity date				
Change in fair value during the year				
Hedged Item	(2,232)	12,562	3,707	3,401
Hedging Instrument	2,232	(12,562)	(3,707)	(3,401)
FCTR (loss) / gain for continuing Hedge (net of tax and NCI)	(878)	(12,596)	(3,707)	(2,945)
Hedging gain/ (loss) recognised during the period	2,232	(12,562)	(3,707)	(3,401)
Loss reclassification during the period to P&L to exceptional items	581	-	-	-

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

Particulars	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2017</b>			
US Dollar	+5%	(8,955)	(8,375)
	-5%	8,955	8,375
Euro	+5%	(1,716)	(1,387)
	-5%	1,716	1,387
Others	+5%	(26)	-
	-5%	26	-
<b>For the year ended March 31, 2016</b>			
US Dollar	+5%	(9,437)	(9,421)
	-5%	9,437	9,421
Euro	+5%	(1,449)	(2,737)
	-5%	1,449	2,737
CHF	+5%	(174)	-
	-5%	174	-
Others	+5%	16	-
	-5%	(16)	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

## (ii) Interest rate risk

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

### Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following table analyses the financial impact of fair value hedge and details thereto.

Particulars	March 31, 2017		March 31, 2016	
	USD	Euro	USD	Euro
Interest rate risk covered for currency				
Nominal amount of Hedging instruments	USD 2900 Mn	-	USD 2900 Mn	Euro 850 Mn
Carrying value of hedging instruments (derivative assets)	1,568	-	11,502	1,808
Carrying value of hedging instruments (derivative liabilities)	851	-	-	-
Maturity date	March 2023 - June 2025	-	March 2023 - June 2025	December 2018
Carrying value of hedged item (borrowings)	188,065	-	192,140	64,130
Change in fair value during the period				
Hedged Item	9,768	-	(9,267)	(517)
Hedging Instrument	(11,118)	-	8,462	64
Hedge ineffectiveness recognised in finance income/cost during the year	(1,349)	-	(805)	(453)
Cumulative change in fair value of hedged Item	476	-	(9,078)	(503)
Unamortised portion of fair value hedge adjustment	-	(396)	-	-

## Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
<b>For the year ended March 31, 2017</b>		
INR - borrowings	+100	(866)
	-100	866
US Dollar - borrowings	+100	(2,629)
	-100	2,629
Other Currency - borrowings	+100	(49)
	-100	49
<b>For the year ended March 31, 2016</b>		
INR - borrowings	+100	(224)
	-100	224
US Dollar - borrowings	+100	(3,253)
	-100	3,253
Euro - borrowings	+100	(688)
	-100	688
Nigerian Naira - borrowings	+100	(65)
	-100	65
Other Currency - borrowings	+100	(63)
	-100	63

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD, Euro and NGN (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

## (iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase/decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by ₹ 808, ₹ 720 and ₹ 965 as on March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

## (iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

### Trade receivables

The Trade receivables of the Group are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the

customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Group, the Management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer Note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2017	19,551	11,653	6,612	5,966	6,056	49,838
Trade Receivables as of March 31, 2016	22,525	15,834	5,297	5,143	6,240	55,039
Trade Receivables as of April 1, 2015	24,280	12,498	6,075	5,896	3,212	51,961

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

### Financial instruments and cash deposits

The Group's treasury, in accordance with the Board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into Derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

## (v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Group's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer note 21.

Based on past performance and current expectations, the Group believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements,



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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

Particulars	As of March 31, 2017						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	1,080,241	22,697	137,808	50,646	176,532	1,100,524	<b>1,488,207</b>
Other financial liabilities#	98,529	4,148	78,700	-	540	15,141	<b>98,529</b>
Trade payables	268,537	-	268,537	-	-	-	<b>268,537</b>
<b>Financial liabilities (excluding derivatives)</b>	<b>1,447,307</b>	<b>26,845</b>	<b>485,045</b>	<b>50,646</b>	<b>177,072</b>	<b>1,115,665</b>	<b>1,855,273</b>
Derivative assets	6,792	-	1,010	1,050	1,743	2,989	<b>6,792</b>
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)	<b>(5,061)</b>
<b>Net derivatives</b>	<b>1,731</b>	<b>-</b>	<b>(982)</b>	<b>707</b>	<b>651</b>	<b>1,355</b>	<b>1,731</b>

Particulars	As of March 31, 2016						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	1,011,125	19,452	72,998	54,938	118,106	1,141,668	<b>1,407,162</b>
Other financial liabilities#	140,665	4,492	120,148	52	562	16,288	<b>141,542</b>
Trade payables	255,806	-	255,806	-	-	-	<b>255,806</b>
<b>Financial liabilities (excluding derivatives)</b>	<b>1,407,596</b>	<b>23,944</b>	<b>448,952</b>	<b>54,990</b>	<b>118,668</b>	<b>1,157,956</b>	<b>1,804,510</b>
Derivative assets	18,764	-	436	4,329	242	13,757	<b>18,764</b>
Derivative liabilities	(1,939)	-	(1,787)	(144)	(3)	(5)	<b>(1,939)</b>
<b>Net derivatives</b>	<b>16,825</b>	<b>-</b>	<b>(1,351)</b>	<b>4,185</b>	<b>239</b>	<b>13,752</b>	<b>16,825</b>

Particulars	As of April 1, 2015						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	810,423	13,207	185,453	45,950	76,991	724,312	<b>1,045,913</b>
Other financial liabilities#	135,041	4,304	116,200	160	1,955	13,261	<b>135,880</b>
Trade payables	215,896	-	215,849	-	-	-	<b>215,849</b>
<b>Financial liabilities (excluding derivatives)</b>	<b>1,161,360</b>	<b>17,511</b>	<b>517,502</b>	<b>46,110</b>	<b>78,946</b>	<b>737,573</b>	<b>1,397,642</b>
Derivative assets	8,510	-	318	889	109	7,194	<b>8,510</b>
Derivative liabilities	(792)	-	(545)	(83)	(153)	(11)	<b>(792)</b>
<b>Net derivatives</b>	<b>7,718</b>	<b>-</b>	<b>(227)</b>	<b>806</b>	<b>(44)</b>	<b>7,183</b>	<b>7,718</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

# Interest accrued but not due of ₹ 5,960, ₹ 6,599 and ₹ 6,802 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively, has been included in interest bearing borrowings and excluded from trade and other payables.

## 2. Capital Risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total Equity, uphold investor, creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

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The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Borrowings	1,074,281	1,004,526	803,621
Less: Cash and Cash Equivalents	12,817	37,087	11,721
<b>Net Debt</b>	<b>1,061,464</b>	<b>967,439</b>	<b>791,900</b>
Equity	674,563	667,693	630,590
<b>Total Capital</b>	<b>674,563</b>	<b>667,693</b>	<b>630,590</b>
<b>Capital and Net Debt</b>	<b>1,736,027</b>	<b>1,635,132</b>	<b>1,422,490</b>
<b>Gearing Ratio</b>	<b>61.1%</b>	<b>59.2%</b>	<b>55.7%</b>

## 38 Fair Value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

Particulars	Level	Carrying Value as of			Fair Value as of		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Financial Assets</b>							
<b>FVTPL</b>							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	814	3,788	280	814	3,788	280
- Interest swaps	Level 2	4,963	14,545	5,598	4,963	14,545	5,598
- Embedded derivatives	Level 2	1,005	380	147	1,005	380	147
- Embedded derivatives	Level 3	10	51	2,485	10	51	2,485
Investments	Level 1	54,301	41,193	115,258	54,301	41,193	115,258
Investments	Level 2	2,962	362	69	2,962	362	69
<b>FVTOCI</b>							
Investments	Level 1	2,387	3,223	-	2,387	3,223	-
Investments	Level 2	1,460	3	-	1,460	3	-
<b>Amortised cost</b>							
Security deposits	Level 2	9,630	10,441	9,529	9,630	10,477	9,505
Trade receivables	Level 2	49,838	55,039	51,961	49,838	55,039	51,961
Cash and cash equivalents	Level 1	12,817	37,087	11,721	12,817	37,087	11,721
Bank deposits	Level 1	3,360	13,900	8,823	3,360	13,900	8,823
Other financial assets	Level 2	68,758	50,013	33,203	68,758	50,013	33,203
		<b>212,305</b>	<b>230,025</b>	<b>239,074</b>	<b>212,305</b>	<b>230,061</b>	<b>239,050</b>
<b>Financial Liabilities</b>							
<b>FVTPL</b>							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	3,412	1,096	381	3,412	1,096	381
- Interest rate swaps	Level 2	880	-	73	880	-	73
- Embedded derivatives	Level 2	571	843	338	571	843	338
- Embedded derivatives	Level 3	198	-	-	198	-	-
<b>Amortised cost</b>							
Borrowings - fixed rate	Level 1	368,913	395,292	294,689	386,739	408,889	319,195
Borrowings - fixed rate	Level 2	526,542	429,722	179,935	562,306	450,454	179,555
Borrowings - floating rate	Level 2	178,826	179,511	328,998	178,826	179,511	328,998
Trade payables	Level 2	268,537	255,806	215,896	268,537	255,806	215,896
Other financial liabilities	Level 2	104,489	147,264	141,843	104,489	147,333	141,783
		<b>1,452,368</b>	<b>1,409,534</b>	<b>1,162,153</b>	<b>1,505,958</b>	<b>1,443,932</b>	<b>1,186,219</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following methods / assumptions were used to estimate the fair values:

- The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of quoted mutual funds and non-convertible bonds is based on quoted market price at the reporting date.
- The fair value of non-current financial assets, long term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs thereto for the level 2 financial assets / liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

Financial assets / liabilities	Valuation technique	Inputs used
- Currency swaps, forward and option contracts	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Interest swaps	Discounted Cash Flow	Prevailing/forward interest rates in market, Interest rates.
- Embedded derivatives	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Investments	Discounted Cash Flow	Prevailing interest rates in market, Interest rates.
- Other financial assets	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.
- Other borrowings- fixed rate	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.
- Other financial liabilities	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.

## Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening balance</b>	51	2,485
Gain recognised in consolidated statement of profit and loss (including settlements)		
-Recognised in finance costs*	(215)	(352)
-Recognised in exceptional items (refer note 33 (ii) c)	-	(2,096)
Transferred on account of sale of subsidiary	(22)	
Exchange difference recognised in OCI	(2)	14
<b>Closing balance</b>	<b>(188)</b>	<b>51</b>

\* Out of these gains / (losses), loss of ₹ 213 and gain of ₹ 23 year ended March 31, 2017 and 2016 respectively relates to assets/liabilities held at the end of respective periods.

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**Valuation process, techniques and inputs used:** The Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and results in an embedded derivative. The significant inputs to the valuation model of these embedded derivatives are future revenue projections and foreign exchange forward rates over the contract period. The revenue projections, being based on the rolling ten year financial plan approved by management, constitute a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group either engages external, independent and qualified valuers or internally values the embedded derivative categorised within level 3. Discounted cash flow model is used to value the embedded derivative wherein major inputs are expected future payouts to vendors, forward foreign currency exchange rates and relevant interest rates. The value of embedded derivative is the present value of the differential of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract.

**Sensitivity to changes in unobservable inputs:** The fair value of embedded derivative is directly proportional to the expected future payouts to vendor (considered for the purpose of valuation of the embedded derivative). If future payouts to vendor were to increase / decrease by 5% with all the other variables held constant, the fair value of embedded derivative would increase / decrease by 5%. Expected future payouts to vendor ranging from USD 12 to USD 17, USD 13 to USD 18 and USD 31 to USD 46 per quarter as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

## 39 Other Matters

- (i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹ 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending.

- (ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

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## 40 Additional information as required under Schedule III of the Companies Act 2013.

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	Net Assets, i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income (OCI)	Share in total comprehensive income (TCI)				
					As % of consolidated net assets	As % of consolidated profit or loss	As % of OCI	As % of TCI				
Parent												
1	Bharti Airtel Limited	100	India	Telecommunication services	150.03	1,012,073	(261.21)	(99,256)	0.05	(25)	931.60	(99,281)
Subsidiaries												
- Indian												
1	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)	80.10	India	Mobile commerce services	0.73	4,926	(6.43)	(2,443)	0	-	22.93	(2,443)
2	Bharti Airtel Services Limited	100	India	Other	(0.15)	(1,009)	0.02	8	0.02	(9)	0.01	(1)
3	Bharti Hexacom Limited	70	India	Telecommunication services	9.91	66,828	17.37	6,601	0	(1)	(61.93)	6,600
4	Bharti Infratel Limited *	61.68	India	Infrastructure sharing services	24.07	162,371	71.19	27,050	(0.19)	93	(254.70)	27,143
5	Bharti Infratel Services Limited #	-	India	Infrastructure sharing services	0	-	0	-	0	-	0	-
6	Bharti Telemedia Limited	95	India	Direct To Home services	(4.13)	(27,827)	(3.46)	1,315	0	(1)	(12.33)	1,314
7	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	95	India	Uplinking channels for broadcasters	(0.07)	(449)	(0.24)	(90)	0	-	0.84	(90)
8	Nxtra Data Limited	100	India	Telecommunication services	(0.01)	(91)	(0.20)	(75)	0	(1)	0.71	(76)
9	Smartx Services Limited	61.68	India	Telecommunication services	0	30	0	(0)	0	-	0	(0)
10	Telesonic Networks Limited	100	India	Telecommunication services	0.05	348	0.64	243	0.02	(11)	(2.18)	232
11	Wynk Limited	100	India	Telecommunication services	0.01	57	0.11	41	0	(1)	(0.38)	40
12	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited), subsidiary w.e.f. March 14, 2017.	100	India	Investment Company	0.39	2,622	6.61	2,513	(0.22)	109	(24.60)	2,622
13	Augere Wireless Broadband India Private Limited (subsidiary w.e.f. June 7, 2016, subsequently merged with the Company w.e.f. February 15, 2017)	-	India	Telecommunication services	0	-	0	-	0	-	0	-
- Foreign												
1	Africa Towers N.V.	100	Netherlands	Investment Company	(0.06)	(392)	(0.12)	(46)	0	-	0.43	(46)
2	Africa Towers Services Limited ##	100	Kenya	Infrastructure sharing services	0	0	0	0	0	-	0	0
3	Airtel (Seychelles) Limited	100	Seychelles	Telecommunication services	0.08	537	0.23	88	0	-	(0.82)	88
4	Airtel (SL) Limited (Sold on July 19, 2016)	-	Sierra Leone	Telecommunication services	0	-	(3.93)	(1,492)	0	-	14	(1,492)
5	Airtel Bangladesh Limited (merged with Robi Axiata Limited w.e.f. November 16, 2016)	-	Bangladesh	Telecommunication services	0	-	(11.23)	(4,268)	0	-	40.05	(4,268)
6	Airtel Burkina Faso S.A. (Sold on June 22, 2016)	-	Burkina Faso	Telecommunication services	0	-	1.81	689	0	-	(6.46)	689
7	Airtel Congo (RDC) S.A.	98.50	Democratic Republic of Congo	Telecommunication services	(7.79)	(52,538)	(33.27)	(12,642)	0	-	118.63	(12,642)



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S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2017							
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	
8	Airtel Congo S.A.	90	Congo Brazzaville	Telecommunication services	(1.31)	(8,843)	(5.19)	(1,970)	0	-	18.49	(1,970)
9	Airtel DTH Services (SL) Limited #	-	Sierra Leone	Direct To Home services	0	-	0	-	0	-	0	-
10	Airtel DTH Services Nigeria Limited ##	100	Nigeria	Direct To Home services	0	-	0	-	0	-	0	-
11	Airtel Gabon S.A.	90	Gabon	Telecommunication services	(1.15)	(7,760)	(7.61)	(2,892)	0	-	27.13	(2,892)
12	Airtel Ghana Limited ^ @	99.89	Ghana	Telecommunication services	(0.29)	(1,949)	(9.01)	(3,424)	0	-	32.13	(3,424)
13	Airtel Madagascar S.A.	100	Madagascar	Telecommunication services	(0.86)	(5,773)	(4.45)	(1,689)	0	-	15.85	(1,689)
14	Airtel Malawi Limited	100	Malawi	Telecommunication services	0.09	598	1.61	611	0	-	(5.73)	611
15	Airtel Mobile Commerce (Ghana) Limited @	99.89	Ghana	Mobile commerce services	(0.04)	(289)	0.07	27	0	-	(0.25)	27
16	Airtel Mobile Commerce (Kenya) Limited	100	Kenya	Mobile commerce services	0	0	0	-	0	-	0	-
17	Airtel Mobile Commerce (Seychelles) Limited	100	Seychelles	Mobile commerce services	0	(28)	(0.01)	(4)	0	-	0.03	(4)
18	Airtel Mobile Commerce (SL) Limited (Sold on July 19, 2016)	-	Sierra Leone	Mobile commerce services	0	-	0	-	0	-	0	-
19	Airtel Mobile Commerce (Tanzania) Limited	100	Tanzania	Mobile commerce services	0	0	0	-	0	-	0	-
20	Airtel Mobile Commerce BV.	100	Netherlands	Investment Company	(0.01)	(36)	(0.03)	(12)	0	-	0.12	(12)
21	Airtel Mobile Commerce Burkina Faso S.A.(Sold on June 22, 2016)	-	Burkina Faso	Mobile commerce services	0	(0)	0.17	66	0	-	(0.62)	66
22	Airtel Mobile Commerce Holdings BV.	100	Netherlands	Investment Company	0	1	0	(0)	0	-	0	(0)
23	Airtel Mobile Commerce Limited	100	Malawi	Mobile commerce services	(0.05)	(337)	0.01	3	0	-	(0.03)	3
24	Airtel Mobile Commerce Madagascar S.A.	100	Madagascar	Mobile commerce services	(0.07)	(481)	(0.23)	(87)	0	-	0.82	(87)
25	Airtel Mobile Commerce Rwanda Limited	100	Rwanda	Mobile commerce services	0	1	0	-	0	-	0	-
26	Airtel Mobile Commerce Tchad S.a.r.l.	100	Chad	Mobile commerce services	0	0	0	-	0	-	0	-
27	Airtel Mobile Commerce Uganda Limited	100	Uganda	Mobile commerce services	0	0	0	-	0	-	0	-
28	Airtel Mobile Commerce Zambia Limited	100	Zambia	Mobile commerce services	(0.08)	(534)	(0.11)	(43)	0	-	0.40	(43)
29	Airtel Money (RDC) S.A.	100	Democratic Republic of Congo	Mobile commerce services	(0.25)	(1,658)	(0.28)	(107)	0	-	1.01	(107)
30	Airtel Money Niger S.A.	90	Niger	Mobile commerce services	0	-	0	-	0	-	0	-
31	Airtel Money S.A. (Gabon)	100	Gabon	Mobile commerce services	(0.03)	(171)	0.45	172	0	-	(1.62)	172

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S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2017					
					Net Assets, i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income (OCI)	Share in total comprehensive income (TCI)	As % of consolidated profit or loss	As % of TCI
32	Airtel Money Transfer Limited	100	Kenya	Mobile commerce services	0	-	0	-	0	-
33	Airtel Networks Kenya Limited ^	100	Kenya	Telecommunication services	(3.48)	(23,473)	(24.59)	(9,344)	0	- 87.68 (9,344)
34	Airtel Networks Limited @@	83.25	Nigeria	Telecommunication services	(2.41)	(16,255)	(69.08)	(26,250)	0	- 246.32 (26,250)
35	Airtel Networks Zambia Plc	96.36	Zambia	Telecommunication services	0.17	1,159	(2.62)	(996)	0	- 9.35 (996)
36	Airtel Rwanda Limited	100	Rwanda	Telecommunication services	(1.74)	(11,756)	(9.31)	(3,536)	0	- 33.18 (3,536)
37	Airtel Tanzania Limited	60	Tanzania	Telecommunication services	(3.78)	(25,473)	(10.30)	(3,913)	0	- 36.72 (3,913)
38	Airtel Tchad S.A.	100	Chad	Telecommunication services	(0.87)	(5,836)	(6.75)	(2,566)	0	- 24.08 (2,566)
39	Airtel Towers (Ghana) Limited #	-	Ghana	Infrastructure sharing services	0	-	0.03	13	0	- (0.12) 13
40	Airtel Towers (SL) Company Limited #	-	Sierra Leone	Infrastructure sharing services	0	-	0.02	7	0	- (0.06) 7
41	Airtel Uganda Limited ^	100	Uganda	Telecommunication services	0	10	6.79	2,580	0	- (24.21) 2,580
42	Bangladesh Infratel Networks Limited ##	100	Bangladesh	Infrastructure sharing services	0	0	0	(0)	0	- 0 (0)
43	Bharti Airtel (France) SAS	100	France	Telecommunication services	0.03	170	0.21	82	0	- (0.77) 82
44	Bharti Airtel (Hong kong) Limited	100	Hong Kong	Telecommunication services	(0.02)	(122)	0.17	66	0	- (0.62) 66
45	Bharti Airtel (Japan) Kabushiki Kaisha	100	Japan	Telecommunication services	0	5	0.03	12	0	(1) (0.11) 11
46	Bharti Airtel (UK) Limited	100	United Kingdom	Telecommunication services	0.07	478	0.35	133	0	(1) (1.24) 132
47	Bharti Airtel (USA) Limited	100	United States of America	Telecommunication services	0.07	452	0.63	238	0	- (2.23) 238
48	Bharti Airtel Africa BV.	100	Netherlands	Investment Company	13.97	94,264	50.96	19,364	0	- (181.70) 19,364
49	Bharti Airtel Burkina Faso Holdings BV.	100	Netherlands	Investment Company	6.71	45,286	99.27	37,719	0	- (353.94) 37,719
50	Bharti Airtel Chad Holdings BV.	100	Netherlands	Investment Company	0.07	447	0.25	96	0	- (0.90) 96
51	Bharti Airtel Congo Holdings BV.	100	Netherlands	Investment Company	0.92	6,199	0.68	259	0	- (2.43) 259
52	Bharti Airtel Developers Forum Limited	96.36	Zambia	Investment Company	0	-	0	-	0	- 0 (0)
53	Bharti Airtel DTH Holdings BV.	100	Netherlands	Investment Company	0	1	0	(0)	0	- 0 (0)
54	Bharti Airtel Gabon Holdings BV.	100	Netherlands	Investment Company	1.30	8,754	1.16	442	0	- (4.15) 442
55	Bharti Airtel Ghana Holdings BV.	100	Netherlands	Investment Company	(1.07)	(7,230)	(4.24)	(1,611)	0	- 15.12 (1,611)
56	Bharti Airtel Holdings (Singapore) Pte Ltd (merged with Bharti International (Singapore) Pte Ltd w.e.f. July 15, 2016)	-	Singapore	Investment Company	0	-	0.03	13	0	- (0.12) 13
57	Bharti Airtel International (Mauritius) Limited	100	Mauritius	Investment Company	2.26	15,256	(545.07)	(207,117)	0	- 1943.48 (207,117)
58	Bharti Airtel International (Netherlands) BV.	100	Netherlands	Investment Company	46.87	316,155	14.63	5,561	0	- (52.18) 5,561
59	Bharti Airtel Kenya BV.	100	Netherlands	Investment Company	(0.97)	(6,523)	(3.71)	(1,409)	0	- 13.22 (1,409)
60	Bharti Airtel Kenya Holdings BV.	100	Netherlands	Investment Company	(0.38)	(2,562)	(0.18)	(70)	0	- 0.66 (70)

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2017					
					Net Assets, i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income (OCI)	Share in total comprehensive income (TCI)	Amount	As % of TCI
					As % of consolidated net assets	As % of consolidated profit or loss	As % of OCI	Amount	As % of TCI	Amount
61	Bharti Airtel Lanka (Private) Limited	100	Sri Lanka	Telecommunication services	(0.96)	(6.485)	(6.96)	(2,645)	0	- 24.82 (2,645)
62	Bharti Infratel Lanka (Private) Limited ##	100	Sri Lanka	Infrastructure sharing services	0	-	0	-	0	-
63	Bharti Airtel Madagascar Holdings BV.	100	Netherlands	Investment Company	(0.17)	(1,156)	(0.74)	(281)	0	- 3 (281)
64	Bharti Airtel Malawi Holdings BV.	100	Netherlands	Investment Company	0.06	422	0.24	91	0	- (0.85) 91
65	Bharti Airtel Mali Holdings BV.	100	Netherlands	Investment Company	0.03	216	(0.04)	(17)	0	- 0.16 (17)
66	Bharti Airtel Niger Holdings BV.	100	Netherlands	Investment Company	1.51	10,209	(0.18)	(69)	0	- 0.64 (69)
67	Bharti Airtel Nigeria BV.	100	Netherlands	Investment Company	(6.37)	(42,955)	(29.06)	(11,042)	0	- 103.61 (11,042)
68	Bharti Airtel Nigeria Holdings BV. ##	100	Netherlands	Investment Company	0	-	0	-	0	-
69	Bharti Airtel Nigeria Holdings II BV.	100	Netherlands	Investment Company	(0.02)	(117)	0	(1)	0	- 0.01 (1)
70	Bharti Airtel RDC Holdings BV.	100	Netherlands	Investment Company	0.56	3,753	2.38	906	0	- (8.50) 906
71	Bharti Airtel Rwanda Holdings Limited	100	Mauritius	Investment Company	0.03	188	0	(2)	0	- 0.02 (2)
72	Bharti Airtel Services BV.	100	Netherlands	Investment Company	(0.06)	(387)	(0.14)	(53)	0	- 0.50 (53)
73	Bharti Airtel Sierra Leone Holdings BV. (Sold on July 19, 2016)	-	Netherlands	Investment Company	0	-	0.09	35	0	- (0.33) 35
74	Bharti Airtel Tanzania BV.	100	Netherlands	Investment Company	(0.52)	(3,478)	(5.50)	(2,089)	0	- 19.60 (2,089)
75	Bharti Airtel Uganda Holdings BV.	100	Netherlands	Investment Company	(0.88)	(5,906)	(0.76)	(288)	0	- 2.70 (288)
76	Bharti Airtel Zambia Holdings BV.	100	Netherlands	Investment Company	4.31	29,090	1.76	668	0	- (6.27) 668
77	Bharti International (Singapore) Pte. Ltd	100	Singapore	Telecommunication services	2.34	15,767	(333.69)	(126,797)	0	- 1189.80 (126,797)
78	Celtel (Mauritius) Holdings Limited	100	Mauritius	Investment Company	0.38	2,530	1.26	479	0	- (4.50) 479
79	Celtel Niger S.A.	90	Niger	Telecommunication services	0.33	2,198	(0.57)	(216)	0	- 2.03 (216)
80	Channel Sea Management Company (Mauritius) Limited	100	Mauritius	Investment Company	0.01	34	(0.25)	(94)	0	- 0.88 (94)
81	Congo RDC Towers S.A.	100	Democratic Republic of Congo	Infrastructure sharing services	(0.04)	(260)	1.24	470	0	- (4.41) 470
82	Congo Towers S.A. #	-	Congo	Infrastructure sharing services	0	0	0	-	0	-
83	Gabon Towers S.A. ##	90	Brazzaville	Infrastructure sharing services	0	(3)	0	(1)	0	- 0.01 (1)
84	Indian Ocean Telecom Limited	100	Jersey	Infrastructure sharing services	0.14	948	0	(0)	0	- 0 (0)
85	Madagascar Towers S.A.	100	Madagascar	Infrastructure sharing services	0.03	236	(0.23)	(87)	0	- 0.82 (87)
86	Malawi Towers Limited	100	Malawi	Infrastructure sharing services	(0.21)	(1,422)	(0.15)	(59)	0	- 0.55 (59)
87	Mobile Commerce Congo S.A.	100	Congo	Mobile commerce services	0	1	0	-	0	-
88	Montana International	100	Brazzaville	Investment Company	0	(12)	0	(2)	0	- 0.02 (2)
89	MSI-Celtel Nigeria Limited ##	100	Nigeria	Investment Company	0	-	0	-	0	-
90	Network i2i Limited	100	Mauritius	Submarine Cable System	11.32	76,379	6.36	2,419	0	- (22.69) 2,419
91	Partnership Investment Sprl	100	Democratic Republic of Congo	Investment Company	0	-	0	-	0	-
92	Société Malgache de Téléphone Cellulaire S.A.	100	Mauritius	Investment Company	0.02	147	(0.01)	(2)	0	- 0.02 (2)

## Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2017					
					Net Assets, i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income (OCI)	Share in total comprehensive income (TCI)	As % of consolidated profit or loss	As % of TCI
93	Tanzania Towers Limited	60	Tanzania	Infrastructure sharing services	0	(31)	(0.01)	(2)	0	0.02
94	Tchad Towers S.A. #	-	Chad	Infrastructure sharing services	0	-	0.21	80	0	(0.75)
95	Towers Support Nigeria Limited ## @	83.25	Nigeria	Infrastructure sharing services	0	(1)	0	0	0	0
96	Warid Telecom Uganda Limited (merged with Airtel Uganda Limited w.e.f. July 31, 2016)	-	Uganda	Telecommunication services	0	-	0	-	0	0
97	Zap Trust Company Nigeria Limited ##	100	Nigeria	Mobile commerce services	0	-	0	-	0	0
98	Airtel Money Tanzania Limited (incorporated on June 10, 2016)	60	Tanzania	Mobile commerce services	0	-	0	-	0	0
<b>Minority Interests in all subsidiaries</b>					(10.19)	(68,750)	(11.62)	(4,416)	(4.55)	20.67
<b>Associates (Investment as per the equity method)</b>										
- Indian										
1	Seynse Technologies Private Limited (Associate w.e.f. February 21, 2017)	22.54	India	Financial Services	0.01	76	0	(1)	0	0.01
- Foreign										
1	Tanzania Telecommunications Company Ltd (TTCL) (Sold on June 23, 2016)	-	Tanzania	Telecommunication services	0	-	0	-	0	0
2	Seychelles Cable Systems Company Limited	26	Seychelles	Submarine cable system	0	-	0	-	0	0
3	Robi Axiata Limited (Associate w.e.f. November 16, 2016)	25	Bangladesh	Telecommunication services	1.76	11,867	(0.18)	(1,233)	0	11.57
<b>Joint Ventures (Investment as per the equity method)</b>										
- Indian										
1	Indus Towers Limited	22.91	India	Passive infrastructure services	8.23	55,509	31.45	11,949	0	(112.13)
2	FireFly Networks Limited	50	India	Telecommunication services	0	(0)	0	2	0	-0.02
- Foreign										
3	Bridge Mobile Pte Limited	25.91	Singapore	Provision of regional mobile services	0.01	52	0.02	9	0	(0.09)
Inter Company Elimination / adjustments on consolidation					(933,729)			451,627 **	(51,019)	400,608
<b>Total</b>					<b>100</b>	<b>674,563</b>	<b>100</b>	<b>37,998</b>	<b>100</b>	<b>(48,655)</b>
									<b>100</b>	<b>(10,657)</b>

# Dissolved during the year ended March 31, 2017.

## Under Liquidation.

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

\* Bharti Infratel Limited, in which the Group has 61.68% equity interest (71.76% as of March 31, 2016), owns 42% of Indus Towers Limited.

\*\* It includes elimination of the internal restructuring impact amounting to ₹ 133,488, ₹ 207,062 and ₹ 86,696 as reflected in the standalone numbers of the Company, Bharti Airtel International (Mauritius) Limited and Bharti International (Singapore) Pte. Ltd. respectively.

@ During the year ended March 31, 2017, the Group has increased its shareholding by 24.89% i.e. from 75% in March 31, 2016 to 99.89% in March 31, 2017 [Refer note 5 (e)].

@ @ During the year ended March 31, 2017, the Group has increased its shareholding by 4.2% i.e. from 79.06% in March 31, 2016 to 83.25% in March 31, 2017 [Refer note 5 (d)].

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 40 Additional information as required under Schedule III of the Companies Act 2013.

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016					
					Net Assets, i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income (OCI)	Share in total comprehensive income (TCI)	As % of consolidated net assets	As % of OCI
	<b>Parent</b>				Amount	As % of profit or loss	Amount	As % of TCI	Amount	As % of TCI
1	Bharti Airtel Limited	100	India	Telecommunication services	167.34	128.04	77,803	0.28	(34)	159.40
	<b>Subsidiaries</b>									
	<b>- Indian</b>									
1	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited), merged with the Company w.e.f. April 9, 2015	-	India	Telecommunication services	0	(0.01)	(6)	0	-	(0.01)
2	Airtel Payments Bank Limited (formerly known as Airtel IM Commerce Services Limited)	80.10	India	Mobile commerce services	0.35	(0.57)	(346)	0	-	(0.71)
3	Bharti Airtel Services Limited	100	India	Other	(0.13)	(0.10)	(60)	0.05	(6)	(0.14)
4	Bharti Hexacom Limited	70	India	Telecommunication services	9.37	16.93	10,289	0.01	(2)	21.08
5	Bharti Infratel Limited *	71.76	India	Infrastructure sharing services	28.35	21.84	13,274	0	4	27.22
6	Bharti Infratel Services Limited #	71.76	India	Infrastructure sharing services	0	0	-	0	-	0
7	Bharti Telemedia Limited	95	India	Direct To Home services	(4.71)	(1.89)	(1,150)	0.02	(2)	(2.36)
8	Indo Teleports Limited (formerly known as Bharti Teleports Limited) subsidiary w.e.f. August 27, 2015.	95	India	Uplinking channels for broadcasters	(0.05)	(0.13)	(78)	0	-	(0.16)
9	Nxtra Data Limited	100	India	Telecommunication services	0	(0.20)	(124)	0.01	(1)	(0.26)
10	Smartx Services Limited (subsidiary w.e.f. September 21, 2015)	71.76	India	Telecommunication services	0	0	0	0	-	0
11	Telesonic Networks Limited	100	India	Telecommunication services	0.02	0.57	346	0.19	(23)	0.66
12	Wynk Limited	100	India	Telecommunication services	0	0.03	16	0	-	0.03
	<b>- Foreign</b>									
1	Africa Towers NV.	100	Netherlands	Investment Company	(0.05)	(0.46)	(279)	0	-	(0.57)
2	Africa Towers Services Limited	100	Kenya	Infrastructure sharing services	0	0.06	34	0	-	0.07
3	Airtel (Seychelles) Limited	100	Seychelles	Telecommunication services	0.07	0.01	4	0	-	0.01
4	Airtel (SL) Limited	100	Sierra Leone	Telecommunication services	0.04	1.07	650	0	-	1.33
5	Airtel Bangladesh Limited	100	Bangladesh	Telecommunication services	(2.77)	(11.50)	(6,987)	(0.32)	39	(14.24)
6	Airtel Burkina Faso S.A.	100	Burkina Faso	Telecommunication services	0.52	1.72	1,046	0	-	2.14
7	Airtel Congo (RDC) S.A.	98.50	Democratic Republic of Congo	Telecommunication services	(6.18)	(20.18)	(12,261)	0	-	(25.13)
8	Airtel Congo S.A.	90	Congo Brazzaville	Telecommunication services	(1.14)	(2.01)	(1,219)	0	-	(2.50)



## Notes to Consolidated Financial Statements

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S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016						
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI
9	Airtel DTH Services (SL) Limited	100	Sierra Leone	Direct To Home services	0	-	0	-	0	-	0
10	Airtel DTH Services Congo (RDC) S.p.r.l. ##	-	Democratic Republic of Congo	Direct To Home services	0	-	0	-	0	-	0
11	Airtel DTH Services Nigeria Limited #	100	Nigeria	Direct To Home services	0	-	0	-	0	-	0
12	Airtel Gabon S.A.	90	Gabon	Telecommunication services	(0.83)	(5,548)	(7.63)	(4,639)	0	-	(9.51) (4,639)
13	Airtel Ghana Limited ^	75	Ghana	Telecommunication services	(4.08)	(27,244)	1.79	1,089	0	-	2.23 1,089
14	Airtel Madagascar S.A.	100	Madagascar	Telecommunication services	(0.64)	(4,282)	(4.17)	(2,535)	0	-	(5.19) (2,535)
15	Airtel Malawi Limited	100	Malawi	Telecommunication services	0	17	(1.15)	(698)	0	-	(1.43) (698)
16	Airtel Mobile Commerce (Ghana) Limited	75	Ghana	Mobile commerce services	(0.07)	(451)	(0.19)	(117)	0	-	(0.24) (117)
17	Airtel Mobile Commerce (Kenya) Limited	100	Kenya	Mobile commerce services	0	0	0	-	0	-	0
18	Airtel Mobile Commerce (Seychelles) Limited	100	Seychelles	Mobile commerce services	0	(25)	(0.02)	(13)	0	-	(0.03) (13)
19	Airtel Mobile Commerce (SL) Limited	100	Sierra Leone	Mobile commerce services	0	0	0	-	0	-	0
20	Airtel Mobile Commerce (Tanzania) Limited	100	Tanzania	Mobile commerce services	0	0	0	-	0	-	0
21	Airtel Mobile Commerce B.V.	100	Netherlands	Investment Company	0	(25)	(0.01)	(8)	0	-	(0.02) (8)
22	Airtel Mobile Commerce Burkina Faso S.A.	100	Burkina Faso	Mobile commerce services	0.02	161	0.29	174	0	-	0.36 174
23	Airtel Mobile Commerce Holdings B.V.	100	Netherlands	Investment Company	0	1	0	(0)	0	-	0 (0)
24	Airtel Mobile Commerce Limited	100	Malawi	Mobile commerce services	(0.06)	(373)	(0.21)	(130)	0	-	(0.27) (130)
25	Airtel Mobile Commerce Madagascar S.A.	100	Madagascar	Mobile commerce services	(0.06)	(408)	(0.18)	(111)	0	-	(0.23) (111)
26	Airtel Mobile Commerce Rwanda Limited	100	Rwanda	Mobile commerce services	0	1	0	-	0	-	0
27	Airtel Mobile Commerce Tchad S.a.r.l.	100	Chad	Mobile commerce services	0	0	0	-	0	-	0
28	Airtel Mobile Commerce Uganda Limited	100	Uganda	Mobile commerce services	0	0	0	-	0	-	0
29	Airtel Mobile Commerce Zambia Limited	100	Zambia	Mobile commerce services	(0.07)	(441)	(0.21)	(130)	0	-	(0.27) (130)
30	Airtel Money (RDC) S.A.	100	Democratic Republic of Congo	Mobile commerce services	(0.24)	(1,588)	(0.78)	(477)	0	-	(0.98) (477)
31	Airtel Money Niger S.A.	90	Niger	Mobile commerce services	0	-	0	-	0	-	0
32	Airtel Money S.A. (Gabon)	100	Gabon	Mobile commerce services	(0.05)	(363)	(0.07)	(41)	0	-	(0.08) (41)

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016							
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
33	Airtel Money Transfer Limited (Incorporated on July 20, 2015)	100	Kenya	Mobile commerce services	0	-	0	-	0	-	0	-
34	Airtel Networks Kenya Limited ^	100	Kenya	Telecommunication services	(2.26)	(15,097)	7.15	4,345	0	-	8.91	4,345
35	Airtel Networks Limited	79.06	Nigeria	Telecommunication services	0.76	5,064	10.67	6,483	0	-	13.29	6,483
36	Airtel Networks Zambia Plc	96.36	Zambia	Telecommunication services	0.37	2,456	3.44	2,091	0	-	4.29	2,091
37	Airtel Rwanda Limited	100	Rwanda	Telecommunication services	(1.43)	(9,575)	(4.89)	(2,971)	0	-	(6.09)	(2,971)
38	Airtel Tanzania Limited	60	Tanzania	Telecommunication services	(3.40)	(22,696)	(17.03)	(10,350)	0	-	(21.21)	(10,350)
39	Airtel Tchad S.A.	100	Chad	Telecommunication services	(0.56)	(3,744)	(2.85)	(1,734)	0	-	(3.55)	(1,734)
40	Airtel Towers (Ghana) Limited	75	Ghana	Infrastructure sharing services	0	(15)	0.05	32	0	-	0.06	32
41	Airtel Towers (SL) Company Limited	100	Sierra Leone	Infrastructure sharing services	0	(16)	0.04	26	0	-	0.05	26
42	Airtel Uganda Limited ^	100	Uganda	Telecommunication services	(0.38)	(2,568)	3.34	2,029	0	-	4.16	2,029
43	Bangladesh Infratel Networks Limited #	100	Bangladesh	Infrastructure sharing services	0	(0)	0	0	0	-	0	0
44	Bharti Airtel (Canada) Limited ##	-	Canada	Telecommunication services	0	(0)	0.05	28	0	-	0.06	28
45	Bharti Airtel (France) SAS	100	France	Telecommunication services	0.02	104	0.07	45	0	-	0.09	45
46	Bharti Airtel (Hong Kong) Limited	100	Hong Kong	Telecommunication services	(0.03)	(181)	0.23	138	0	-	0.28	138
47	Bharti Airtel (Japan) Kabushiki Kaisha	100	Japan	Telecommunication services	0	(6)	(0.03)	(17)	(0.01)	(1)	(0.04)	(18)
48	Bharti Airtel (UK) Limited	100	United Kingdom	Telecommunication services	0.08	530	(0.21)	(126)	0	-	(0.26)	(126)
49	Bharti Airtel (USA) Limited	100	United States of America	Telecommunication services	0.03	219	0.65	397	0	-	0.81	397
50	Bharti Airtel Africa BV.	100	Netherlands	Investment Company	11.57	77,253	4.95	3,006	0	-	6.16	3,006
51	Bharti Airtel Burkina Faso Holdings BV.	100	Netherlands	Investment Company	1.37	9,152	1.74	1,058	0	-	2.17	1,058
52	Bharti Airtel Chad Holdings BV.	100	Netherlands	Investment Company	0.05	361	0.07	43	0	-	0.09	43
53	Bharti Airtel Congo Holdings BV.	100	Netherlands	Investment Company	0.91	6,078	0.48	293	0	-	0.60	293
54	Bharti Airtel Developers Forum Limited	96.36	Zambia	Investment Company	0	-	0	-	0	-	0	-
55	Bharti Airtel DTH Holdings BV.	100	Netherlands	Investment Company	0	1	0	(0)	0	-	0	(0)
56	Bharti Airtel Gabon Holdings BV.	100	Netherlands	Investment Company	1.27	8,509	0.40	245	0	-	0.50	245
57	Bharti Airtel Ghana Holdings BV.	100	Netherlands	Investment Company	(0.87)	(5,801)	(2.02)	(1,229)	0	-	(2.52)	(1,229)
58	Bharti Airtel Holdings (Singapore) Pte Ltd	100	Singapore	Investment Company	0.98	6,531	(0.81)	(493)	0	-	(1.01)	(493)
59	Bharti Airtel International (Mauritius) Limited	100	Mauritius	Investment Company	31.11	207,752	0	(2)	0	-	0	(2)
60	Bharti Airtel International (Netherlands) BV.	100	Netherlands	Investment Company	48.17	321,648	(9.29)	(5,643)	0	-	(11.57)	(5,643)
61	Bharti Airtel Kenya BV.	100	Netherlands	Investment Company	(0.79)	(5,278)	(1.83)	(1,109)	0	-	(2.27)	(1,109)
62	Bharti Airtel Kenya Holdings BV.	100	Netherlands	Investment Company	(0.38)	(2,549)	(0.17)	(104)	0	-	(0.21)	(104)
63	Bharti Airtel Lanka (Private) Limited	100	Sri Lanka	Telecommunication services	(0.64)	(4,257)	(4.52)	(2,746)	0	-	(5.63)	(2,746)

## Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016					
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount
64	Bharti Infratel Lanka (Private) Limited #	100	Sri Lanka	Infrastructure sharing services	0	-	0	-	0	0
65	Bharti Airtel Madagascar Holdings BV.	100	Netherlands	Investment Company	(0.14)	(904)	(0.32)	(194)	0	- (0.40) (194)
66	Bharti Airtel Malawi Holdings BV.	100	Netherlands	Investment Company	0.05	342	(0.04)	(22)	0	- (0.04) (22)
67	Bharti Airtel Mali Holdings BV.	100	Netherlands	Investment Company	0.04	237	0	-	0	- 0
68	Bharti Airtel Niger Holdings BV.	100	Netherlands	Investment Company	1.57	10,497	2.24	1,364	0	- 2.80 1,364
69	Bharti Airtel Nigeria BV.	100	Netherlands	Investment Company	(4.95)	(33,021)	(5.04)	(3,063)	0	- (6.28) (3,063)
70	Bharti Airtel Nigeria Holdings BV. #	100	Netherlands	Investment Company	0	-	0	-	0	- 0
71	Bharti Airtel Nigeria Holdings II BV.	100	Netherlands	Investment Company	(0.02)	(118)	0	-	0	- 0
72	Bharti Airtel RDC Holdings BV.	100	Netherlands	Investment Company	0.44	2,943	2.05	1,253	0	- 2.57 1,253
73	Bharti Airtel Rwanda Holdings Limited	100	Mauritius	Investment Company	0.03	194	0	(3)	0	- (0.01) (3)
74	Bharti Airtel Services BV.	100	Netherlands	Investment Company	(0.05)	(344)	(0.09)	(58)	0	- (0.12) (58)
75	Bharti Airtel Sierra Leone Holdings BV.	100	Netherlands	Investment Company	0.03	199	0.22	134	0	- 0.27 134
76	Bharti Airtel Tanzania BV.	100	Netherlands	Investment Company	(0.22)	(1,498)	0.70	424	0	- 0.87 424
77	Bharti Airtel Uganda Holdings BV.	100	Netherlands	Investment Company	(0.86)	(5,750)	(0.83)	(506)	0	- (1.04) (506)
78	Bharti Airtel Zambia Holdings BV.	100	Netherlands	Investment Company	4.35	29,063	1.61	981	0	- 2.01 981
79	Bharti International (Singapore) Pte. Ltd	100	Singapore	Telecommunication services	12.66	84,513	0.74	450	0	- 0.92 450
80	Burkina Faso Towers S.A. ##	-	Burkina Faso	Infrastructure sharing services	0	0	0.06	38	0	- 0.08 38
81	Celtel (Mauritius) Holdings Limited	100	Mauritius	Investment Company	0.33	2,195	0.55	336	0	- 0.69 336
82	Celtel Niger S.A.	90	Niger	Telecommunication services	0.36	2,423	(0.72)	(440)	0	- (0.90) (440)
83	Channel Sea Management Company (Mauritius) Limited	100	Mauritius	Investment Company	0.01	38	0	(2)	0	- 0 (2)
84	Congo RDC Towers S.A.	100	Democratic Republic of Congo	Infrastructure sharing services	(0.11)	(728)	(0.26)	(156)	0	- (0.32) (156)
85	Congo Towers S.A.	90	Congo	Infrastructure sharing services	0	(0)	0.07	44	0	- 0.09 44
86	Gabon Towers S.A. #	90	Gabon	Infrastructure sharing services	0	(2)	0.06	34	0	- 0.07 34
87	Indian Ocean Telecom Limited	100	Jersey	Investment Company	0.15	968	0	(2)	0	- 0 (2)
88	Kenya Towers Limited (Sold on September 23, 2015)	-	Kenya	Infrastructure sharing services	0	0	(1.61)	(981)	0	- (2.01) (981)
89	Madagascar Towers S.A.	100	Madagascar	Infrastructure sharing services	0.05	324	(0.48)	(293)	0	- (0.60) (293)
90	Malawi Towers Limited	100	Malawi	Infrastructure sharing services	(0.22)	(1,495)	(2.73)	(1,659)	0	- (3.40) (1,659)
91	Mobile Commerce Congo S.A.	100	Congo	Mobile commerce services	0	1	0	-	0	- 0
92	Montana International	100	Mauritius	Investment Company	0	(11)	0	(1)	0	- 0 (1)
93	MSI-Celtel Nigeria Limited #	100	Nigeria	Investment Company	0	-	0	-	0	- 0
94	Network I2i Limited	100	Mauritius	Submarine Cable System	3.73	24,925	6.46	3,924	0	- 8.04 3,924
95	Niger Towers S.A. ##	-	Niger	Infrastructure sharing services	0	(0)	0.06	36	0	- 0.07 36
96	Partnership Investment Sprl	100	Democratic Republic of Congo	Investment Company	0	-	0	-	0	- 0

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016							
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
97	Société Malgache de Téléphone Cellulaire S.A.	100	Mauritius	Investment Company	0.02	152	0	(2)	0	-	(0)	(2)
98	Tanzania Towers Limited	60	Tanzania	Infrastructure sharing services	0	(30)	0.04	24	0	-	0.05	24
99	Tchad Towers S.A.	100	Chad	Infrastructure sharing services	(0.01)	(83)	0.07	43	0	-	0.09	43
100	Towers Support Nigeria Limited #	79.06	Nigeria	Infrastructure sharing services	0	(1)	0.05	32	0	-	0.07	32
101	Uganda Towers Limited (Sold on June 1, 2015)	-	Uganda	Infrastructure sharing services	0	(0)	(0.46)	(282)	0	-	(0.58)	(282)
102	Warid Telecom Uganda Limited (in process of amalgamation with Airtel Uganda Limited)	100	Uganda	Telecommunication services	0	-	0	-	0	-	0	-
103	Zambian Towers Limited (Sold on August 31, 2015)	-	Zambia	Infrastructure sharing services	0	(0)	(4.36)	(2,647)	0	-	(5.43)	(2,647)
104	Zap Trust Company Nigeria Limited #	100	Nigeria	Mobile commerce services	0	-	0	-	0	-	0	-
<b>Minority Interests in all subsidiaries Associates (Investment as per the equity method)</b>					(8.23)	(54,981)	(13.43)	(8,163)	(3.10)	371	(15.97)	(7,792)
<b>- Foreign</b>												
1	Tanzania Telecommunications Company Ltd (TTCL)	35	Tanzania	Telecommunication services	0	-	0	-	0	-	0	-
2	Seychelles Cable Systems Company Limited	26	Seychelles	Submarine cable system	0	-	0	-	0	-	0	-
<b>Joint Ventures (Investment as per the equity method)</b>												
<b>- Indian</b>												
1	Indus Towers Limited	30.14	India	Passive infrastructure services	8.41	56,180	18.22	11,069	0	-	22.69	11,069
2	FireFly Networks Limited	50	India	Telecommunication services	0	(2)	0	0	0	-	0	0
3	Forum 1 Aviation Limited (Investment sold on January 7, 2016)	-	India	Aircraft chartering services	0	-	0.02	12	0	-	0.02	12
<b>- Foreign</b>												
4	Bridge Mobile Pte Limited	25.91	Singapore	Provision of regional mobile services	0.01	43	0.02	10	0	-	0.02	10
Inter Company Elimination / adjustments on consolidation						(1,257,320)		(8,018)		(12,322)		(20,340)
<b>Total</b>					<b>100</b>	<b>667,693</b>	<b>100</b>	<b>60,767</b>	<b>100</b>	<b>(11,977)</b>	<b>100</b>	<b>48,790</b>

# Under liquidation

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

\* Bharti Infratel Limited, in which the Group has 71.76%, owns 42% of Indus Towers Limited.

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

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## 41 Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

- I. Balance sheet reconciliations as of April 1, 2015.
- II a. Balance sheet reconciliations as of March 31, 2016.
- II b. Reconciliations of statement of profit and loss for the year ended March 31, 2016
- III. Notes to the balance sheet and statement of profit and loss reconciliations
- IV. Explanation of material adjustments to statement of cash flows



# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## I. Balance sheet reconciliation as of April 1, 2015

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustments	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1 / 3 / 4	666,630	(122,694)	543,936
Capital work-in-progress	3	49,958	(1,256)	48,702
Goodwill	1	247,770	167,053	414,823
Other intangible assets	1	304,503	37,215	341,718
Intangible assets under development	1	124,598	(6,111)	118,487
Investment in joint ventures and associates	3	-	51,936	51,936
<b>Financial Assets</b>				
- Investments	5	27,433	3,877	31,310
- Derivative instruments	6	-	7,303	7,303
- Security deposits	3 / 7	11,319	(1,790)	9,529
- Others	3	15,500	(7,469)	8,031
Deferred tax assets (net)	13	43,611	15,891	59,502
Other non-current assets	3 / 7	75,662	22	75,684
		<b>1,566,984</b>	<b>143,977</b>	<b>1,710,961</b>
<b>Current assets</b>				
Inventories		1,339	-	1,339
<b>Financial Assets</b>				
- Investments	5	80,088	3,929	84,017
- Derivative instruments	6	718	489	1,207
- Trade receivables	3	54,494	(2,533)	51,961
- Cash and cash equivalents	3	12,011	(290)	11,721
- Bank deposits	3	8,838	(15)	8,823
- Others	3	26,949	(1,778)	25,171
Current tax assets	3	8,385	(2,664)	5,721
Other current assets	3	33,893	(1,697)	32,196
Assets-held-for-sale	2	28,168	4,450	32,618
		<b>254,883</b>	<b>(109)</b>	<b>254,774</b>
<b>Total Assets</b>		<b>1,821,867</b>	<b>143,868</b>	<b>1,965,735</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital		19,987	-	19,987
Other Equity		377,783	232,820	610,603
<b>Equity attributable to owners of the Parent</b>		<b>397,770</b>	<b>232,820</b>	<b>630,590</b>
Non-controlling interests	14	68,906	(17,293)	51,613
		<b>466,676</b>	<b>215,527</b>	<b>682,203</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	3	607,220	(15,645)	591,575
- Derivative instruments		164	-	164
- Others	3	17,123	(2,586)	14,537
Deferred revenue	3 / 7	18,079	(162)	17,917
Provisions	3 / 4	17,178	(9,530)	7,648
Deferred tax liabilities (net)	3 / 13	25,568	(12,491)	13,077
Other non-current liabilities	7	836	630	1,466
		<b>686,168</b>	<b>(39,784)</b>	<b>646,384</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	3	88,148	(1,468)	86,680
- Current maturities of long-term borrowings	3	134,057	(8,691)	125,366
- Derivative instruments		628	-	628
- Trade Payables	3	221,408	(5,512)	215,896
- Others	3	130,126	(2,820)	127,306
Deferred revenue	3 / 7	49,914	160	50,074
Provisions		2,066	-	2,066
Current tax liabilities (net)		9,271	-	9,271
Other current liabilities	3 / 8	27,251	(11,353)	15,898
Liabilities-held-for-sale	4	6,154	(2,191)	3,963
		<b>669,023</b>	<b>(31,875)</b>	<b>637,148</b>
<b>Total Liabilities</b>		<b>1,355,191</b>	<b>(71,659)</b>	<b>1,283,532</b>
<b>Total Equity and Liabilities</b>		<b>1,821,867</b>	<b>143,868</b>	<b>1,965,735</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## II a. Balance sheet reconciliation as of March 31, 2016

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustments	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1 / 3 / 4	724,675	(114,167)	610,508
Capital work-in-progress	3	48,521	(1,217)	47,304
Goodwill	1	231,371	197,010	428,381
Other intangible assets	1	656,417	27,622	684,039
Intangible assets under development		9,716	-	9,716
Investment in joint ventures and associates	3	-	60,990	60,990
<b>Financial assets</b>				
- Investments	5	24,324	4,298	28,622
- Derivative instruments	6	69	13,930	13,999
- Security deposits	3 / 7	12,550	(2,109)	10,441
- Others	3	23,540	(6,038)	17,502
Deferred tax assets (net)	13	63,932	(17,194)	46,738
Other non-current assets	3 / 7	70,518	(78)	70,440
		<b>1,865,633</b>	<b>163,047</b>	<b>2,028,680</b>
<b>Current assets</b>				
Inventories		1,692	-	1,692
<b>Financial assets</b>				
- Investments	3 / 5	14,853	1,306	16,159
- Derivative instruments	6	1,008	3,757	4,765
- Trade receivables	3	56,495	(1,456)	55,039
- Cash and cash equivalents	3	37,492	(405)	37,087
- Bank deposits	3	13,916	(16)	13,900
- Others	3	35,430	(2,919)	32,511
Current tax assets	3	14,076	(2,506)	11,570
Other current assets	3	54,468	(5,641)	48,827
Assets-held-for-sale	2	5,097	1,905	7,002
		<b>234,527</b>	<b>(5,975)</b>	<b>228,552</b>
<b>Total Assets</b>		<b>2,100,160</b>	<b>157,072</b>	<b>2,257,232</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital		19,987	-	19,987
Other Equity		402,989	244,717	647,706
<b>Equity attributable to owners of the Parent</b>		<b>422,976</b>	<b>244,717</b>	<b>667,693</b>
Non-controlling interests	14	74,465	(19,484)	54,981
		<b>497,441</b>	<b>225,233</b>	<b>722,674</b>
<b>Non-current Liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	3 / 10	893,820	(1,134)	892,686
- Derivative instruments		8	-	8
- Others	3	18,796	(2,712)	16,084
Deferred revenue	7	17,755	32	17,787
Provisions	3 / 4	18,470	(11,120)	7,350
Deferred tax liabilities (net)	3 / 13	46,028	(33,516)	12,512
Other non-current liabilities	7	836	691	1,527
		<b>995,713</b>	<b>(47,759)</b>	<b>947,954</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		57,238	-	57,238
- Current maturities of long-term borrowings	3	60,902	(6,300)	54,602
- Derivative instruments		1,931	-	1,931
- Trade Payables	3	259,828	(4,022)	255,806
- Others	3	134,760	(3,580)	131,180
Deferred revenue		51,336	-	51,336
Provisions	3	2,383	(51)	2,332
Current tax liabilities (net)		9,296	-	9,296
Other current liabilities	3 / 8	28,166	(6,322)	21,844
Liabilities-held-for-sale	4	1,166	(127)	1,039
		<b>607,006</b>	<b>(20,402)</b>	<b>586,604</b>
<b>Total Liabilities</b>		<b>1,602,719</b>	<b>(68,161)</b>	<b>1,534,558</b>
<b>Total Equity and Liabilities</b>		<b>2,100,160</b>	<b>157,072</b>	<b>2,257,232</b>

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## II b. Reconciliation of Statement of profit and loss for the year ended March 31, 2016

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustments	Ind AS
<b>Income</b>				
Revenue from operations	3	1,009,373	(44,052)	965,321
Other income	3	903	(32)	871
		<b>1,010,276</b>	<b>(44,084)</b>	<b>966,192</b>
<b>Expenses</b>				
Network operating expenses	3	213,719	(12,152)	201,567
Access charges		109,423	-	109,423
License fee / spectrum charges (revenue share)		94,928	-	94,928
Employee benefits	3 / 12	51,003	(1,895)	49,108
Sales and marketing expenses	3	82,491	(81)	82,410
Other expenses	3 / 7	88,308	(265)	88,043
		<b>639,872</b>	<b>(14,393)</b>	<b>625,479</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>		<b>370,404</b>	<b>(29,691)</b>	<b>340,713</b>
Share of results of joint ventures and associates	3	-	(10,666)	(10,666)
Depreciation and amortisation	1 / 2 / 3 / 4 / 7	213,674	(39,176)	174,498
Finance costs	3 / 4 / 6 / 7 / 9 / 10	87,021	(1,560)	85,461
Finance income	3 / 5 / 6 / 7	(8,756)	(7,570)	(16,326)
Non-operating expense		1,024	-	1,024
<b>Profit before exceptional items and tax</b>		<b>77,441</b>	<b>29,281</b>	<b>106,722</b>
Exceptional items	2 / 6 / 9	(29,236)	7,495	(21,741)
<b>Profit before tax</b>		<b>106,677</b>	<b>21,786</b>	<b>128,463</b>
<b>Tax expense</b>				
Current tax	3	50,908	(6,218)	44,690
Deferred tax	3 / 13	1,464	13,379	14,843
<b>Profit for the year</b>		<b>54,305</b>	<b>14,625</b>	<b>68,930</b>
<b>Other comprehensive income ('OCI')</b>				
Items to be reclassified subsequently to profit or loss :				
Net losses due to foreign currency translation differences	11	-	(4,920)	(4,920)
Losses on net investments hedge	9 / 11	-	(7,108)	(7,108)
Losses on cash flow hedge	9 / 11	-	(724)	(724)
Gains on fair value through OCI investments	11	-	9	9
Income tax credit	11	-	503	503
		-	<b>(12,240)</b>	<b>(12,240)</b>
Items not to be reclassified to profit or loss :				
Re-measurement losses on defined benefit plans	12	-	(129)	(129)
Share of joint ventures and associates	12	-	(4)	(4)
Income tax credit	12	-	25	25
		-	<b>(108)</b>	<b>(108)</b>
<b>Other comprehensive loss for the year</b>		<b>-</b>	<b>(12,348)</b>	<b>(12,348)</b>
<b>Total comprehensive gain for the year</b>		<b>54,305</b>	<b>2,277</b>	<b>56,582</b>
<b>Profit for the year attributable to :</b>		<b>54,305</b>	<b>14,625</b>	<b>68,930</b>
Owners of the Parent		44,566	16,201	60,767
Non-controlling interests	14	9,739	(1,576)	8,163
<b>Other comprehensive loss for the year attributable to :</b>		<b>-</b>	<b>(12,348)</b>	<b>(12,348)</b>
Owners of the Parent		-	(11,977)	(11,977)
Non-controlling interests		-	(371)	(371)
<b>Total comprehensive gain for the year attributable to :</b>		<b>54,305</b>	<b>2,277</b>	<b>56,582</b>
Owners of the Parent		44,566	4,224	48,790
Non-controlling interests	14	9,739	(1,947)	7,792

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

## III. Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

### 1. Business combinations

Under previous GAAP, assets and liabilities acquired in a business combination are recognised at the acquiree's carrying value. Under Ind AS, as the Group has opted to apply Ind AS 103 'Business Combination' retrospectively, it has restated all business combinations since inception of the Company. Accordingly, assets and liabilities acquired in a business combination are recognised at fair value on the date of acquisition. As Goodwill represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets and liabilities of the entity, the corresponding impact has been recognised in Goodwill. Further, under previous GAAP, goodwill was amortised on a straight line basis over 15 years; whereas under Ind AS it is not subject to amortisation.

Any corresponding impact of the differential depreciation, amortisation and currency translation on such assets (including goodwill) and liabilities has been recognised in equity.

### 2. Assets held-for-sale ('AHS')

The Group has classified certain assets and associated liabilities as held-for-sale. Under previous GAAP, the Group had continued to charge depreciation on such PPE even after it is classified as AHS. Under Ind AS, once the PPE is classified as AHS it is not subject to depreciation charge. The consequential impact on the gain or loss on sale of AHS has been recognised accordingly.

### 3. Joint venture accounting

Under previous GAAP, joint venture entities were consolidated using the proportionate consolidation method whereby Group's share of each of the assets, liabilities, income and expenses of a joint venture entity is consolidated basis line-by-line consolidation.

Under Ind AS, these entities have been accounted for using the equity method whereby the share of net assets / results of joint venture and associates are shown as a single line item. For the application of equity method, the initial investment, as at the date of transition, has been measured as the aggregate of the Ind AS carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

### 4. Asset retirement obligations ('ARO')

Under previous GAAP, ARO was initially measured at the expected cost to settle the obligation. Under Ind AS, the ARO is initially measured at the present value of expected cost to settle the obligation. The Group accordingly has recognised the adjustment to the cost of fixed assets and the consequent depreciation and finance cost. The corresponding impact on the date of transition has been recognised in equity.

### 5. Investments

Under previous GAAP, investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL / FVTOCI and

the changes in fair value are recognised in statement of profit and loss / statement of other comprehensive income. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

### 6. Derivatives

Under previous GAAP, derivative contracts are measured at fair value at each balance sheet date with the changes over the previous carrying amount being recognised in the statement of profit and loss, but recognition of increase in the fair value is restricted only to the extent it represents any subsequent reversal of previously recognised losses. Under Ind AS, the entire changes the fair values of derivative contracts are recognised in statement of profit and loss in the year of change.

### 7. Non-current financial assets / liabilities

Under previous GAAP, certain non-current financial assets / liabilities which were measured at cost / best estimate of the expenditure required to settle the obligation, at the balance sheet date without considering the effect discounting whereas these are measured at the present value on the balance sheet date under Ind AS. Accordingly, the Group has recognised the adjustment to the respective carrying amount and the consequent impact on finance cost / finance income due to the unwinding of the discounting impact. The corresponding impact on the date of transition has been recognised in equity.

### 8. Proposed dividend

Under previous GAAP, dividend on equity shares recommended by the board of directors ('proposed dividend') was recognised as a liability in the financial statements in the period to which it relates. Under Ind AS, such dividend is recognised as a liability when approved by the shareholders in the general meeting. The Group accordingly, has de-recognised the proposed dividend liability with the corresponding increase being recognised in equity.

### 9. Cash flow hedge ('CFH') / Net Investment Hedge ('NIH')

Under Ind AS, the Group has designated certain borrowings / derivatives under CFH in order to hedge the foreign currency risk arising from highly probable forecast transaction / recognised financial liability. Further, the Group has designated certain borrowings under NIH in order to hedge the net investment in certain foreign subsidiaries on account of foreign currency translation differences. Any unrealised gain / loss on the hedging instruments is recognised in other comprehensive income within equity instead of statement of profit and loss and reclassified from equity to statement of profit and loss in the same period during which hedged cash flow affects the profit and loss / on disposal of the hedged net investment. Under previous GAAP, the said CFH and NIH accounting was not followed.

### 10. Fair value hedge ('FVH')

Under Ind AS, the Group has designated certain interest swaps (IS) under FVH in order to hedge the fair value gain / loss due to changes in the designated interest

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

rate risk on certain borrowings. Any changes in the fair value of the borrowings that are attributable to the hedged risk are recognised in the statement of profit and loss. However, under previous GAAP, the change in the said hedged risk is not recognised by the Group.

## 11. Statement of other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind-AS. Under Ind AS, certain specified items net of related tax impact are required to be presented in other comprehensive income.

## 12. Re-measurement differences

Under previous GAAP, the remeasurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said remeasurement differences net of the related tax impact are recognised in other comprehensive income.

## 13. Deferred Taxes

Under previous GAAP, in the financial statements, deferred taxes of the parent and its group companies were consolidated on line-by-line basis. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount in the consolidated balance sheet and its tax base. Accordingly, deferred tax on account of undistributed profits of subsidiaries, associates and joint arrangements, eliminations of

unrealised profits arising on intra group transfers has been recognised in the statement of profit and loss.

Additionally, the Group also recognised the consequential deferred tax implications on account of various GAAP adjustments explained above.

## 14. Non-controlling interests

Under previous GAAP, share of non-controlling interests in the losses of any subsidiary was restricted to the carrying amount of non-controlling interests in respective subsidiary and any excess losses are allocated to the owners of the Parent. Under Ind AS, share in any such excess losses in the respective subsidiary is allocated to non-controlling interests. On transition date, the Group has allocated the share in accumulated losses in respective subsidiaries with the corresponding impact being recognised in equity.

Additionally, the Group also recognised the consequential non-controlling implications on account of various GAAP adjustments explained above.

## IV. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statements of cash flows presented under Ind AS and the Previous GAAP except due to difference in accounting for joint ventures (Equity Vs. Proportionate consolidation) and the definition of Cash and cash equivalents under these two GAAPs.



Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2017, pursuant to Section 129 (3) of the Companies Act 2013.

Part A - Subsidiaries																					
S. No.	Name of the Subsidiary	Note	Date on which subsidiary was acquired	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2017	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution A	% of shareholding
1	Airtel Payments Bank Limited	a, i	April 1, 2010	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	9,944	(5,018)	8,811	3,885	-	264	(2,443)	-	(2,443)	-	19	-	80.10%
2	Bangladesh Infratel Networks Limited	e	June 26, 2011	Bangladesh	BDT	Apr '16 to Mar '17	March 31, 2017	0.807	-	-	-	-	-	-	-	-	-	-	-	-	100%
3	Bharti Airtel (France) SAS	b	June 9, 2010	France	EUR	Apr '16 to Mar '17	March 31, 2017	69.344	1	160	924	763	-	756	91	30	61	-	149	-	100%
4	Bharti Airtel (Hongkong) Limited	b	October 12, 2006	Hongkong	HKD	Apr '16 to Mar '17	March 31, 2017	8.348	41	(163)	410	532	-	529	78	13	65	-	13	-	100%
5	Bharti Airtel (Japan) Kabushiki Kaisha	b, d	April 5, 2010	Japan	JPY	Apr '16 to Mar '17	March 31, 2017	0.582	0	0	0	0	-	0	0	0	0	-	-	-	100%
6	Bharti Airtel Services Limited	b	March 26, 2001	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	1	(1,010)	4,122	5,131	-	5,587	10	2	8	-	306	-	100%
7	Bharti Airtel (UK) Limited	b	August 29, 2006	United Kingdom	GBP	Apr '16 to Mar '17	March 31, 2017	81.208	27	451	2,701	2,223	-	18,471	146	26	120	-	46	-	100%
8	Bharti Airtel (USA) Limited	b	September 12, 2006	United States of America	USD	Apr '16 to Mar '17	March 31, 2017	64.850	0	453	1,400	947	-	1,685	330	93	237	-	54	-	100%
9	Bharti International (Singapore) Pte Ltd	b	March 18, 2010	Singapore	USD	Apr '16 to Mar '17	March 31, 2017	64.850	127,347	(112,697)	34,857	20,207	-	5,507	(123,030)	384	(123,414)	-	386	-	100%
10	Bharti Airtel International (Mauritius) Limited	b	April 6, 2010	Mauritius	INR	Apr '16 to Mar '17	March 31, 2017	1.000	222,342	(207,086)	15,257	1	-	2	(207,117)	-	(207,117)	-	-	-	100%
11	Bharti Airtel Lanka (Private) Limited	b	March 29, 2007	Sri Lanka	LKR	Apr '16 to Mar '17	March 31, 2017	0.426	13,331	(20,016)	6,448	12,933	-	3,838	(2,463)	20	(2,483)	-	1,613	-	100%
12	Bharti Hexacom Limited	b	May 18, 2004	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	2,500	64,328	96,141	29,313	-	51,255	9,795	3,194	6,601	818	52,598	100	70%
13	Indo Teleports Limited	b, h	March 4, 2009	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	230	(679)	422	871	-	317	(90)	-	(90)	-	18	-	95%
14	Bharti Infratel Lanka (Private) Limited	e	March 4, 2008	Sri Lanka	LKR	Apr '16 to Mar '17	March 31, 2017	0.426	-	-	-	-	-	-	-	-	-	-	-	-	100%
15	Bharti Infratel Limited	a	November 30, 2006	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	18,496	143,875	212,844	50,473	60,419	604,878	33,357	6,307	27,050	8,905	9,897	274	61.68%
16	Snartr Services Limited	a	September 21, 2015	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	30	0	31	1	-	-	0	0	(0)	-	-	-	61.68%
17	Bharti Telemedia Limited	b	June 5, 2007	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	5,102	(32,929)	23,222	51,049	-	34,306	1,315	-	1,315	-	9,361	-	95%
18	Network 121 Limited	b	September 28, 2007	Mauritius	USD	Apr '16 to Mar '17	March 31, 2017	64.850	53,010	23,425	90,191	13,756	-	4,554	3,111	110	3,001	-	1,392	-	100%
19	Telesonic Networks Limited	b	February 5, 2013	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	892	(544)	3,545	3,197	-	7,380	374	132	242	-	67	-	100%
20	Nxta Data Limited	b	July 2, 2013	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	51	(142)	4,231	4,322	4	2,801	(115)	(40)	(75)	-	961	-	100%
21	Wykk Limited	b	January 13, 2015	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	1	56	764	707	-	1,285	62	21	41	-	110	-	100%
22	Nettie Infrastructure Investments Limited (formerly known as Nettie Developers Limited)	b	March 14, 2017	India	INR	Apr '16 to Mar '17	March 31, 2017	1.000	1	2,621	70,762	68,140	-	-	2,513	-	2,513	-	-	-	100%
23	Bharti Airtel International (Netherlands) BV	c	March 19, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	153,010	160,456	444,457	130,992	2,910	2,869	7,244	939	6,305	-	-	-	100%
24	Bharti Airtel Africa BV	c	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	36	92,884	11,872	(81,048)	-	-	18,651	1	18,650	-	-	-	100%
25	Bharti Airtel Burkina Faso Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	45,297	45,411	113	-	-	36,388	-	36,388	-	-	-	100%
26	Bharti Airtel Chad Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	933	12,743	11,809	-	-	611	-	611	-	-	-	100%
27	Airtel Tchad S.A.	b	June 8, 2010	Chad	XAF	Jan '16 to Dec '16	December 31, 2016	613.448	2,939	(7,798)	15,920	20,779	-	8,666	(1,811)	345	(2,156)	-	656	14	100%
28	Bharti Airtel Gabon Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	8,670	8,754	83	-	-	418	-	418	-	-	-	100%
29	Airtel Gabon S.A.	a	June 8, 2010	Gabon	XAF	Jan '16 to Dec '16	December 31, 2016	613.448	634	(9,173)	10,443	18,982	-	9,173	(3,014)	93	(3,107)	-	1,319	11	90%
30	Bharti Airtel Congo Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	6,339	11,987	5,647	-	-	439	-	439	-	-	-	100%
31	Airtel Congo S.A.	a	June 8, 2010	Congo Brazzaville	XAF	Jan '16 to Dec '16	December 31, 2016	613.448	550	(8,347)	12,385	20,182	-	11,023	(1,499)	123	(1,622)	-	1,364	2	90%
32	Bharti Airtel RDC Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	5,357	57,851	52,493	-	-	2,573	-	2,573	-	-	-	100%
33	Airtel Congo (RDC) SA	c	June 8, 2010	Democratic Republic of Congo	CDF	Jan '16 to Dec '16	December 31, 2016	1.000	23	(50,471)	30,065	80,513	-	16,195	(12,282)	225	(12,507)	-	4,010	28	98.50%
34	Bharti Airtel Mali Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	215	644	428	-	-	(16)	-	(16)	-	-	-	100%
35	Bharti Airtel Kenya Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	(2,563)	67,235	69,797	-	-	(68)	-	(68)	-	-	-	100%
36	Bharti Airtel Kenya BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	2	(6,217)	61,019	67,234	-	-	(1,006)	-	(1,006)	-	-	-	100%
37	Airtel Networks Kenya Limited	a, f	June 8, 2010	Kenya	KES	Jan '16 to Dec '16	December 31, 2016	103.075	15,878	(34,452)	20,866	39,440	-	10,645	(5,084)	-	(5,084)	-	1,944	3	100%
38	Bharti Airtel Malawi Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	423	5,951	5,527	-	-	122	-	122	-	-	-	100%
39	Airtel Malawi Limited	a	June 8, 2010	Malawi	MWK	Jan '16 to Dec '16	December 31, 2016	724.586	0	442	12,149	11,707	-	6,768	26	62	(36)	-	773	9	100%
40	Bharti Airtel Niger Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	10,282	10,329	46	-	-	54	-	54	-	-	-	100%
41	Catel Niger S.A.	a	June 8, 2010	Niger	XOF	Jan '16 to Dec '16	December 31, 2016	613.448	159	4,558	23,056	18,339	-	11,188	4,913	900	4,013	-	3,136	43	90%
42	Airtel Networks Zambia Plc	a, g	June 8, 2010	Zambia	ZMW	Jan '16 to Dec '16	December 31, 2016	9.672	7	3,236	16,925	13,682	-	14,198	2,708	1,170	1,538	-	1,903	9	96.36%
43	Bharti Airtel Uganda Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr '16 to Mar '17	March 31, 2017	1.000	1	(5,941)	11,171	17,111	-	-	(278)	-	(278)	-	-	-	100%
44	Airtel Uganda Limited <sup>aa</sup>	a, f	June 8, 2010	Uganda	UGS	Jan '16 to Dec '16	December 31, 2016	3,615.877	226	(307)	18,750	18,831	-	18,532	1,783	(1,094)	2,877	-	2,869	8	100%

**Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2017, pursuant to Section 129 (3) of the Companies Act 2013.**

Part A - Subsidiaries										(€ Millions)													
S. No.	Name of the Subsidiary	Note	Date on which subsidiary was acquired	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2017	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution	% of shareholding		
45	Bharti Airtel Tanzania BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	2	(3,223)	32,585	35,806	-	-	1,172	-	1,172	-	-	-	-	100%	
46	Airtel Tanzania Limited	a	June 8, 2010	Tanzania	TZS	Jan'16 to Dec'16	December 31, 2016	2,234,542	1,190	(24,646)	19,187	42,643	-	15,134	(3,583)	42	(3,625)	-	3,310	18	-	60%	
47	Bharti Airtel Madagascar Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	1	(1,156)	14,206	15,361	-	-	(269)	-	(269)	-	-	-	-	100%	
48	Channel Sea Management Company (Mauritius) Limited	b, d	June 8, 2010	Mauritius	USD	Jan'16 to Dec'16	December 31, 2016	1.000	1	34	1	(34)	-	-	(3)	-	(3)	-	-	-	-	100%	
49	Bharti Airtel Rwanda Holdings Limited	b, d	June 8, 2010	Mauritius	USD	Jan'16 to Dec'16	December 31, 2016	1.000	3	186	142	(47)	-	-	(2)	0	(2)	-	-	-	-	100%	
50	Montana International	b, d	June 8, 2010	Mauritius	USD	Jan'16 to Dec'16	December 31, 2016	1.000	0	(12)	3	15	-	-	(1)	-	(1)	-	-	-	-	100%	
51	Airtel Madagascar S.A.	c	June 8, 2010	Madagascar	MGA	Jan'16 to Dec'16	December 31, 2016	3,215,780	60	(5,367)	6,192	11,499	-	3,847	(1,673)	300	(1,973)	-	436	2	-	100%	
52	Bharti Airtel Nigeria Holdings BV	c, e	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	
53	MSI-CelTel Nigeria Limited	c, e	June 8, 2010	Nigeria	NGN	Jan'16 to Dec'16	December 31, 2016	305,974	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	
54	Bharti Airtel Nigeria Holdings IBV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	1	(118)	139,646	139,763	-	-	(1)	-	(1)	-	-	-	-	100%	
55	Bharti Airtel Nigeria BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	1	(43,968)	95,865	139,832	-	-	(10,328)	-	(10,328)	-	-	-	-	100%	
56	Bharti Airtel Ghana Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	1	(7,288)	44,452	51,739	-	-	(1,552)	-	(1,552)	-	-	-	-	100%	
57	Airtel Ghana Limited	a, f	June 8, 2010	Ghana	GHS	Jan'16 to Dec'16	December 31, 2016	4,326	27,167	(29,105)	10,509	12,447	-	8,340	(3,810)	-	(3,810)	-	2,013	8	-	99.89%	
58	Bharti Airtel Services BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	1	320	655	334	-	-	-	-	-	-	-	-	-	100%	
59	Airtel Networks Limited	a	June 8, 2010	Nigeria	NGN	Jan'16 to Dec'16	December 31, 2016	305,974	43	(17,762)	66,198	83,917	-	59,519	(19,674)	943	(20,618)	-	8,956	39	-	83.25%	
60	Bharti Airtel Zambia Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	1	29,006	29,094	86	-	-	647	-	647	-	-	-	-	100%	
61	Airtel Mobile Commerce Limited	a	June 8, 2010	Malawi	MWK	Jan'16 to Dec'16	December 31, 2016	724,586	0	(0)	-	-	-	-	(0)	-	(0)	-	-	-	-	100%	
62	Airtel Mobile Commerce (Kenya) Limited	a	June 8, 2010	Kenya	KES	Jan'16 to Dec'16	December 31, 2016	103,075	0	-	655	655	-	-	-	-	-	-	-	-	-	100%	
63	Airtel Mobile Commerce (Ghana) Limited	c	June 8, 2010	Ghana	GHS	Jan'16 to Dec'16	December 31, 2016	4,326	75	(403)	776	1,104	-	73	(34)	-	(34)	-	-	-	-	99.89%	
64	CelTel (Mauritius) Holdings Limited	b, d	June 8, 2010	Mauritius	USD	Jan'16 to Dec'16	December 31, 2016	1.000	1	2,528	301	(2,228)	-	0	434	64	370	-	-	-	-	100%	
65	Airtel Mobile Commerce Zambia Limited	a	June 8, 2010	Zambia	ZMW	Jan'16 to Dec'16	December 31, 2016	9,672	13	(543)	244	774	-	94	(72)	1	(73)	-	-	-	-	100%	
66	Airtel Mobile Commerce Tchad S.a.r.l	a	June 8, 2010	Chad	XAF	Jan'16 to Dec'16	December 31, 2016	613,448	0	0	58	58	-	1	1	(0)	1	-	-	-	-	100%	
67	Airtel Mobile Commerce BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	2	(37)	256	291	-	-	(12)	-	(12)	-	-	-	-	100%	
68	Airtel Money S.A. (Gabon)	a	October 26, 2010	Gabon	XAF	Jan'16 to Dec'16	December 31, 2016	613,448	1	(303)	1,485	1,787	-	713	127	58	69	-	10	-	-	100%	
69	Malawi Towers Limited	a	December 15, 2010	Malawi	MWK	Jan'16 to Dec'16	December 31, 2016	724,586	1	(1,527)	4,279	5,805	-	1,248	(275)	139	(414)	-	181	-	-	100%	
70	Airtel Money Niger S.A.	a	June 8, 2010	Niger	XOF	Jan'16 to Dec'16	December 31, 2016	613,448	138	(95)	1,160	1,117	-	88	(94)	1	(95)	-	5	-	-	90%	
71	Société Malgache de Téléphone Cellulaire S.A.	b, d	June 8, 2010	Mauritius	USD	Jan'16 to Dec'16	December 31, 2016	1.000	3	144	162	15	-	-	(2)	-	(2)	-	-	-	-	100%	
72	Airtel Mobile Commerce Holdings BV	b, d	June 8, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	2	(0)	2	0	-	-	0	-	0	-	-	-	-	100%	
73	Indian Ocean Telecom Limited	b, d	August 27, 2010	Jersey	USD	Jan'16 to Dec'16	December 31, 2016	1.000	162	786	955	7	-	-	(0)	-	(0)	-	-	-	-	100%	
74	Airtel (Seychelles) Limited	a	August 27, 2010	Seychelles	SCR	Jan'16 to Dec'16	December 31, 2016	13,612	5	307	2,121	1,809	-	199	1,395	77	52	25	-	253	1	100%	
75	Airtel Mobile Commerce (Tanzania) Limited	a	November 11, 2010	Tanzania	TZS	Jan'16 to Dec'16	December 31, 2016	2,234,542	0	-	3,164	3,164	-	-	-	-	-	-	-	-	-	100%	
76	Airtel Mobile Commerce Uganda Limited	a	October 7, 2010	Uganda	UGS	Jan'16 to Dec'16	December 31, 2016	3,615,877	0	-	2,618	2,618	-	-	-	-	-	-	-	-	-	100%	
77	Africa Towers NV	b, d	October 5, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	4	(396)	2,352	2,744	-	-	(44)	-	(44)	-	-	-	-	100%	
78	Bharti Airtel DTH Holdings BV	b, d	September 28, 2010	Netherlands	USD	Apr'16 to Mar'17	March 31, 2017	1.000	2	(7)	1	6	-	-	(0)	-	(0)	-	-	-	-	100%	
79	Airtel DTH Services Nigeria Limited	c, e	January 27, 2011	Nigeria	NGN	Jan'16 to Dec'16	December 31, 2016	305,974	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	
80	Madagascar Towers S.A.	b	March 15, 2011	Madagascar	MGA	Jan'16 to Dec'16	December 31, 2016	3,215,780	0	394	3,820	3,426	-	1,302	51	81	(30)	-	132	-	-	100%	
81	Mobile Commerce Congo S.A.	a	June 8, 2010	Congo Brazzaville	XAF	Jan'16 to Dec'16	December 31, 2016	613,448	1	-	102	101	-	-	-	-	-	-	-	-	-	100%	
82	Tanzania Towers Limited	a	March 15, 2011	Tanzania	TZS	Jan'16 to Dec'16	December 31, 2016	2,234,542	0	(30)	30	30	-	-	(1)	-	(1)	-	-	-	-	60%	
83	Towers Support Nigeria Limited	c, e	March 7, 2011	Nigeria	NGN	Jan'16 to Dec'16	December 31, 2016	305,974	2	(3)	(0)	1	-	-	25	0	25	-	-	-	-	83.25%	
84	Airtel Money (RDC) S.A.	a	June 8, 2010	Democratic Republic of Congo	CDF	Jan'16 to Dec'16	December 31, 2016	1,200,000	123	(1,696)	1,578	3,151	-	453	(348)	5	(353)	-	-	-	-	100%	
85	Congo RDC Towers S.A.	c	April 5, 2011	Democratic Republic of Congo	CDF	Jan'16 to Dec'16	December 31, 2016	1.000	7	(118)	971	1,082	-	2,587	835	113	722	-	182	-	-	100%	
86	Gabon Towers S.A.	a, e	May 17, 2011	Gabon	XAF	Jan'16 to Dec'16	December 31, 2016	613,448	1	(5)	1	5	-	-	(1)	0	(1)	-	-	-	-	90%	
87	Airtel Mobile Commerce Madagascar S.A.	b	April 5, 2011	Madagascar	MGA	Jan'16 to Dec'16	December 31, 2016	3,215,780	0	(542)	892	1,434	-	283	(159)	(9)	(150)	-	79	-	-	100%	
88	Airtel Rwanda Limited	a	September 2, 2011	Rwanda	RWF	Jan'16 to Dec'16	December 31, 2016	821,629	-	(11,067)	4,978	16,045	-	1,460	(2,992)	-	(2,992)	-	365	4	-	100%	

**Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2017, pursuant to Section 129 (3) of the Companies Act 2013.**

Part A - Subsidiaries																					
S. No.	Name of the Subsidiary	Note	Date on which subsidiary was acquired	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2017	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
89	Africa Towers Services Limited	c, e	September 8, 2011	Kenya	KES	Jan'16 to Dec'16	December 31, 2016	103.075	0	1	9	8	-	-	44	12	32	-	-	-	100%
90	Airtel Mobile Commerce Rwanda Limited	a	February 22, 2013	Rwanda	RWF	Jan'16 to Dec'16	December 31, 2016	821.629	1	-	113	112	-	-	-	-	-	-	-	-	100%
91	Airtel Mobile Commerce (Seychelles) Limited	b	August 9, 2013	Seychelles	SCR	Jan'16 to Dec'16	December 31, 2016	13.612	5	(31)	11	37	-	0	(5)	-	(5)	-	-	-	100%
92	Airtel Money Tanzania Limited	b	June 10, 2016	Tanzania	TZS	Jan'16 to Dec'16	December 31, 2016	2,234,542	0	(0)	0	0	-	-	(0)	-	(0)	-	-	-	60%

\* Investments exclude investments in subsidiaries.

# Voluntary disclosure.

^ Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements.

^^ During the year, Warid Telecom Uganda Limited has been merged with Airtel Uganda Limited.

**Notes:**

- It is basis audited standalone financial statements.
- It is basis unaudited standalone financial statements.
- It is basis financial information considered for the purpose of consolidated audited Ind AS financial statements.
- The financial statements for these entities are not required to be prepared as per the local laws of the countries where they are incorporated.
- Subsidiaries are under liquidation.
- Share capital includes preference share capital.
- Proposed dividend includes dividend distribution tax.
- Indo Teleports Limited (formerly known as Bharti Teleports Limited) became subsidiary of Bharti Airtel Limited w.e.f. August 27, 2015

**Subsidiaries yet to commence operations**

- Partnership Investment Spol
- Bharti Airtel Developers Forum Limited
- Zap Trust Company Nigeria Limited
- Airtel Money Transfer Limited

**Subsidiaries have been liquidated / sold during the year**

- Airtel (SL) Limited
- Airtel Burkina Faso S.A.
- Airtel Mobile Commerce (SL) Limited
- Airtel Mobile Commerce Burkina Faso S.A.
- Bharti Airtel Sierra Leone Holdings BV.
- Airtel DTH Services (SL) Limited
- Airtel Towers (Ghana) Limited
- Airtel Towers (SL) Company Limited
- Congo Towers S.A.
- Tchad Towers S.A.
- Airtel Bangladesh Limited
- Bharti Airtel Holdings (Singapore) Pte Ltd (merged with Bharti International (Singapore) Pte Ltd w.e.f. July 15, 2016)
- Bharti Infratel Services Limited

**Others**

- The figures which are appearing as '0' are result of rounding off.
- Augere Wireless Broadband India Private Limited became subsidiary of the Company w.e.f. June 7, 2016. Further, on February 15, 2017 it was merged with the Company.

### Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

#### Part B - Associates and Joint Ventures

S. No.	Name of the Associate / Joint Venture	Date on which Associate / Joint Venture was acquired	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the company as of March 31, 2017		Description of how there is significant influence	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit/Loss for the year ended March 31, 2017	
				Number of shares	Amount of Investment in Associate / Joint Venture			Considered in consolidation	Not Considered in consolidation
1	Bridge Mobile Pte Limited	November 3, 2004	March 31, 2017	800,000	34	10%	514	9	-
2	Indus Towers Limited*	December 7, 2007	March 31, 2017	500,504	60,419	22.91%	132,165	11,949	-
3	FireFly Networks Limited	February 4, 2014	March 31, 2017	1,000,000	10	50%	(1)	-	2
4	Robi Axiata Limited	November 16, 2016	December 31, 2016	1,178,535,001	24,847	25%	56,041	(1,233)	-
5	Seynse Technologies Private Limited	February 21, 2017	March 31, 2017	6,824	249	22.54%	321	(1)	-
6	Seychelles Cable Systems Company Limited**	June 8, 2010	March 31, 2017	260	199	26%	(197)	-	(46)

\* Profits/losses considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

\*\* It is basis financial information considered for the purpose of consolidated audited Ind AS financial statements.

#### Notes:

Amount of investment in joint venture/associate is based on the carrying value of investments in the standalone financial statements of venturer/investor.

Associate that is no more held as of March 31, 2017:-

1. Tanzania Telecommunications Company Limited

#### For and on behalf of the Board of Directors of Bharti Airtel Limited

**Sunil Bharti Mittal**  
Chairman  
DIN: 00042491

**Gopal Vittal**  
Managing Director & CEO (India & South Asia)  
DIN: 02291778

**Nilanjan Roy**  
Global Chief Financial Officer

## Notes

[illegible]



# Circle Offices

**Andhra Pradesh**

Splendid Towers,  
Opp. Begumpet Police Station,  
Begumpet,  
Hyderabad- 500016,  
Telangana

**Haryana, Punjab,  
Himachal and J&K**

Plot No. 21, Rajiv Gandhi  
Chandigarh Technology Park,  
Chandigarh - 160101

**Mumbai**

6<sup>th</sup> & 7<sup>th</sup> Floor,  
Interface Building No. 7,  
Mindspace, Malad Link Road,  
Malad (W), Mumbai - 400064,  
Maharashtra

**Assam & North East States**

Bharti House, Six Mile,  
Khanapara, G.S. Road,  
Guwahati - 781022,  
Assam

**Karnataka**

55, Divyasree Towers,  
Bannerghatta Main Road,  
Bengaluru - 560029,  
Karnataka

**Rajasthan**

K-21, Sunny House,  
Malviya Marg, C-Scheme,  
Jaipur - 302001,  
Rajasthan

**Bihar & Jharkhand**

Airtel Campus, Plot No-18,  
Patliputra Industrial Area,  
Patna - 800013,  
Bihar

**Kerala & Tamil Nadu**

Oceanic Tower,  
101, Santhome High Road,  
Santhome, Chennai - 600028,  
Tamil Nadu

**Uttar Pradesh &  
Uttaranchal**

TCG - 7/7 Vibhuti Khand,  
Gomti Nagar,  
Lucknow - 226010,  
Uttar Pradesh

**Delhi NCR**

Plot No. 16, NH-8  
Udyog Vihar, Phase-IV,  
Gurgaon - 122015,  
Haryana

**Madhya Pradesh &  
Chhattisgarh**

3<sup>rd</sup> & 4<sup>th</sup> Floor, Scheme No. 54,  
Metro Tower, AB Road,  
Indore - 452010,  
Madhya Pradesh

**West Bengal & Odisha**

Infinity Building,  
Salt Lake Electronics Complex,  
Block GP, Sector V,  
Kolkata - 700091,  
West Bengal

**Gujarat**

2<sup>nd</sup> & 4<sup>th</sup> Floor, Zodiac Square,  
S G Road, Opp. Gurudwara,  
Ahmedabad - 380054,  
Gujarat

**Maharashtra & Goa**

Vega Centre, A - Building,  
2<sup>nd</sup> Floor, Shankarsheth Road,  
Next to Income tax office  
Swargate, Pune - 411037,  
Maharashtra



Registered & Corporate Office

**Bharti Airtel Limited**

Bharti Crescent, 1, Nelson Mandela Road,  
Vasant Kunj, Phase II, New Delhi - 110 070, India.

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