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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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

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 stratght-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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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

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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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 March 31, 2018	March 31, 2019	March 31, 2020	Future Period till end of life
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-setlled 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
A. Consideration received			
Fair value of consideration received	39,554	22,185	25,956
B. Net assets disposed off			
Non-current assets			
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
Current Assets			
Cash and cash equivalents	1,017	402	426
Trade receivables	1,153	132	689
Other current assets	3,953	629	1,752
Total Assets (a)	**39,480**	**15,259**	**39,013**
Non-current liabilities			
Others	1,018	153	961
Current liabilities			
Borrowings	1,074	73	7,445
Trade payable	9,090	904	4,681
Others	1,096	69	2,812
Total Liabilities (b)	**12,278**	**1,199**	**15,899**
Net assets disposed off (a-b)	**27,202**	**14,060**	**23,114**
C. Gain on disposal *	**8,404**	**1,778**	**2,038**
D. Net cash inflow on disposal			
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)
	39,612	**20,418**	**(426)**

* 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								
	Leasehold Improvement	Land & Building	Plant & machinery	Furniture & Fixture	Vehicles	Office equipment	Computer	**Total**	Capital work-in-progress
Gross carrying value									
Balance as of April 1, 2015	**8,981**	**15,746**	**1,056,752**	**2,888**	**2,285**	**8,649**	**80,868**	**1,176,169**	**48,702**
Additions	477	484	-	665	86	1,158	12,368	**15,238**	191,144
Acquisition through Business Combinations^	-	-	161	-	-	1	-	**162**	-
Disposals / adjustment	(48)	(484)	(18,087)	-	(55)	(229)	(8,991)	**(27,894)**	-
Net transfers to/from assets-held-for-sale@	-	-	(4,634)	-	-	-	-	**(4,634)**	655
Exchange differences	137	(20)	1,940	(25)	98	86	680	**2,896**	438
Capitalisation / reclassification*	(384)	(166)	194,379	133	-	(453)	820	**194,329**	(193,635)
Balance as of March 31, 2016	**9,163**	**15,560**	**1,230,511**	**3,661**	**2,414**	**9,212**	**85,745**	**1,356,266**	**47,304**
Additions	378	437	-	710	157	981	4,309	**6,972**	179,982
Acquisition through business combinations^	-	-	-	-	-	-	-	**-**	534
Disposals / adjustment	(544)	(62)	(28,714)	(140)	(155)	(1,629)	(2,776)	**(34,020)**	-
Sale of subsidiaries/towerco operation^	(130)	(707)	(69,400)	(970)	(115)	(328)	(4,777)	**(76,427)**	(747)
Net transfers to/from assets-held-for-sale@	-	-	4,990	-	-	-	-	**4,990**	-
Exchange differences	(537)	(1,050)	(53,624)	(317)	(131)	(942)	(10,635)	**(67,236)**	(1,129)
Capitalisation / reclassification*	73	(332)	202,705	(221)	4	133	(360)	**202,002**	(202,002)
Balance as of March 31, 2017	**8,403**	**13,846**	**1,286,468**	**2,723**	**2,174**	**7,427**	**71,506**	**1,392,547**	**23,942**
Accumulated Depreciation									
Balance as of April 1, 2015	**5,888**	**2,419**	**541,977**	**2,301**	**1,783**	**6,282**	**71,583**	**632,233**	**-**
Charge#	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@	-	-	(1,524)	-	-	-	-	**(1,524)**	-
Exchange differences	132	(59)	(1,051)	(34)	71	20	725	**(196)**	-
Reclassification*	(168)	180	18	(285)	(2)	(70)	975	**648**	-
Balance as of March 31, 2016	**6,674**	**2,968**	**651,301**	**2,493**	**1,977**	**6,791**	**73,554**	**745,758**	**-**
Charge#	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^	(98)	(152)	(38,421)	(900)	(96)	(268)	(3,949)	**(43,884)**	-
Net transfers to/from assets-held-for-sale@	-	-	1,374	-	-	-	-	**1,374**	-
Exchange differences	(392)	(254)	(33,975)	(491)	(94)	(621)	(9,523)	**(45,350)**	-
Reclassification*	40	681	(114)	703	(1)	(652)	(657)	**-**	-
Balance as of March 31, 2017	**6,485**	**3,819**	**690,103**	**2,351**	**1,813**	**4,664**	**63,224**	**772,459**	**-**
Net carrying value									
As of April 1, 2015	**3,093**	**13,327**	**514,775**	**587**	**502**	**2,367**	**9,285**	**543,936**	**48,702**
As of March 31, 2016	**2,489**	**12,592**	**579,210**	**1,168**	**437**	**2,421**	**12,191**	**610,508**	**47,304**
As of March 31, 2017	**1,918**	**10,027**	**596,365**	**372**	**361**	**2,763**	**8,282**	**620,088**	**23,942**

@ Refer Note 18
^ Refer Note 5
* ₹ 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.
# 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.

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The following table summarises the detail of assets taken on finance lease:

Particulars	Grossing Carrying value	Accumulated depreciation	Net carrying value
As of March 31, 2017			
Plant and machinery	37,165	18,757	18,408
Leasehold land	681	102	579
Computer	-	-	-
Vehicles	66	12	54
As of March 31, 2016			
Plant and machinery	38,930	17,563	21,367
Leasehold land	502	100	402
Computer	1,097	835	262
As of April 1, 2015			
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**	
Gross carrying value							
Balance as of April 1, 2015	**417,460**	**17,713**	**16,573**	**408,398**	**4,325**	**447,009**	**118,487**
Additions	-	3,363	3,244	-	70	**6,677**	262,709
Acquisition through Business Combinations^	314	-	-	-	128	**128**	-
Disposals / adjustment@	-	(4,255)	-	(15,130)	(143)	**(19,528)**	-
Exchange differences	13,244	103	72	6,374	25	**6,574**	75
Capitalisation / reclassification*	-	(706)	12	371,555	-	**370,861**	(371,555)
Balance as of March 31, 2016	**431,018**	**16,218**	**19,901**	**771,197**	**4,405**	**811,721**	**9,716**
Additions	-	2,783	4,903	-	5,463	**13,149**	280,099
Acquisition through business combinations^	150	-	-	1,250	-	**1,250**	-
Disposals / adjustment@	-	(92)	(86)	(1,095)	-	**(1,273)**	-
Sale of subsidiaries/towerco operation^	(44,066)	(944)	(182)	(19,015)	-	**(20,141)**	-
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	**(25,525)**	-
Capitalisation / reclassification	-	-	-	205,372	-	**205,372**	(205,372)
Balance as of March 31, 2017	**340,719**	**17,982**	**23,582**	**933,212**	**9,777**	**984,553**	**84,443**
Accumulated amortisation							
Balance as of April 1, 2015	**-**	**14,116**	**3,961**	**85,881**	**1,333**	**105,291**	**-**
Charge	-	2,723	1,207	34,204	1,084	**39,218**	-
Disposals / adjustment@	-	(4,255)	-	(15,130)	(119)	**(19,504)**	-
Exchange differences	-	103	162	3,056	4	**3,325**	-
Reclassification*	-	(660)	12	-	-	**(648)**	-
Balance as of March 31, 2016	**-**	**12,027**	**5,342**	**108,011**	**2,302**	**127,682**	**-**

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Particulars	Goodwill#	Other intangible assets					Intangible assets under development
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	**Total**	
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)	-	-
Balance as of March 31, 2017	**-**	**14,064**	**6,620**	**135,302**	**4,386**	**160,372**	**-**
Net Carrying Value							
As of April 1, 2015	**414,823**	**3,597**	**12,612**	**322,517**	**2,992**	**341,718**	**118,487**
As of March 31, 2016	**428,381**	**4,191**	**14,559**	**663,186**	**2,103**	**684,039**	**9,716**
As of March 31, 2017	**338,082**	**3,918**	**16,962**	**797,910**	**5,391**	**824,181**	**84,443**

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
	338,082	**428,381**	**414,823**

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,

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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.

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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	-	-
	82,277	**60,990**	**51,936**

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
Recognised in profit and loss		
Joint ventures	11,091	10,666
Associates	(642)	-
	10,449	**10,666**
Recognised in other comprehensive income		
Joint ventures	(9)	(4)
Associates	-	-
	(9)	**(4)**

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)#
Assets				
Non current assets	207,357	207,634	209,213	95,480
Current assets				
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
Total current assets	**18,303**	**16,708**	**18,455**	**8,411**
Liabilities				
Non current liabilities				
Borrowings	10,589	25,585	37,203	8,578
Other liabilities	30,294	28,104	26,908	2,706
Total non current liabilities	**40,883**	**53,689**	**64,111**	**11,284**
Current liabilities				
Borrowings	24,090	14,999	24,186	11,620
Other liabilities	28,522	21,891	28,349	33,521
Total current liabilities	**52,612**	**36,890**	**52,535**	**45,141**
Equity	**132,165**	**133,763**	**111,022**	**47,466**
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.

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(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	**28,451**	**26,355**	**(4,932)**
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 / asscoiate	**9,510**	**-**	**-**

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.

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(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
			75	**85**	**94**

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	-
			21	**23**	**20**

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

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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 March 31, 2016	As of April 1, 2015	As of March 31, 2017	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
Assets									
Non current assets	178,274	171,644	167,514	89,157	79,331	77,719	63,174	99,144	97,130
Current assets	47,118	55,454	51,659	6,984	5,443	4,289	5,343	8,835	19,610
Liabilities									
Non current liabilities	14,705	16,893	15,170	3,560	9,372	6,551	37,798	45,831	37,249
Current liabilities	43,952	14,166	13,799	25,753	12,857	22,127	43,049	50,294	85,573
Equity	**166,735**	**196,039**	**190,204**	**66,828**	**62,545**	**53,330**	**(12,330)**	**11,854**	**(6,082)**
% of ownership interest held by NCI	38.32%	28.24%	28.12%	30.00%	30.00%	30.00%	16.75%	20.94%	20.94%
Accumulated NCI	63,893	55,360	53,491	20,049	18,738	15,977	(2,064)	2,482	(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	**(420)**	**20,069**	**(1,232)**	**(241)**	**(3,183)**	**2,527**
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	-
	44,187	**28,622**	**31,310**

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	-	-
	16,923	**16,159**	**84,017**

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Investment in equity instruments (Unqouted)			
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	-	-
	61,110	**44,781**	**115,327**
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
Assets			
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
	6,792	**18,764**	**8,510**
Liabilities			
Currency swaps, forward and option contracts	3,412	1,096	381
Interest swaps	880	-	73
Embedded derivatives	769	843	338
	5,061	**1,939**	**792**
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)
	1,731	**16,825**	**7,718**

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)
	9,630	**10,441**	**9,529**

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
	16,653	**17,502**	**8,031**

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
	52,105	**32,511**	**25,171**

*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
Current income tax		
- For the year	21,332	43,749
- Adjustments for prior periods	(92)	941
	21,240	**44,690**
Deferred tax*#		
- Origination and reversal of temporary differences	18,436	5,329
- Adjustments for prior periods	(4,857)	9,514
	13,579	**14,843**
Income tax expense	**34,819**	**59,533**

* 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
Effect of:		
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)
Income tax expense	**34,819**	**59,533**

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
Deferred tax assets (net)			
a) Deferred tax liability due to			
Depreciation / amortisation on property, plant and equipment / intangible assets	(66,798)	(37,899)	(7,112)
b) Deferred tax asset arising out of			
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
	26,262	**46,738**	**59,502**

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Deferred tax liabilities (net)			
a) Deferred tax liability due to			
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) Deferred tax asset arising out of			
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)
	9,429	**12,512**	**13,077**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax expense		
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)
Net deferred tax expense	**(13,579)**	**(14,843)**

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
Opening balance	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
Closing balance	**16,833**	**34,226**

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
Expiry date			
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
	108,298	**121,547**	**86,585**

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
	49,875	**70,440**	**75,684**

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
	44,105	**48,827**	**32,196**

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)
	49,838	**55,039**	**51,961**

*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
Closing balance	**42,258**	**35,080**

*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
	12,817	**37,087**	**11,721**

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)
	(9,880)	**17,635**	**(1,413)**

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	**-**	**37**	**37**

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
	-	**7,002**	**32,618**

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)
	-	**(1,039)**	**(3,963)**

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(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
Issued, Subscribed and fully paid-up shares			
3,997,400,102 equity shares of ₹ 5 each	19,987	19,987	19,987
	19,987	**19,987**	**19,987**

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
Opening balance	1,882	524	1,411	114
Purchased during the year	-	-	1,500	514
Excercised during the year	(537)	(157)	(1,029)	(104)
Closing balance	**1,345**	**367**	**1,882**	**524**

c. Dividend paid and proposed

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Declared and paid during the year:**		
	Final dividend for 2015-16 : ₹ 1.36 per share	6,541	-
	Dividend on treasury shares	2	-
	(including dividend distribution tax of ₹ 1,107 @ 20.358%)		
	Final dividend for 2014-15 : ₹ 2.22 per share	-	10,679
	Dividend on treasury shares	-	2
	(including dividend distribution tax of ₹ 1,807 @ 20.358%)		
		6,543	**10,681**
B	**Proposed dividend**		
	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
		4,811	**6,543**

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**
As of April 1, 2015	**-**	**-**	**-**	**(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
As of March 31, 2016	**(11,149)**	**(724)**	**4**	**(524)**	**(12,393)**
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
As of March 31, 2017	**(60,685)**	**133**	**90**	**(367)**	**(60,829)**

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.

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(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
Secured			
Term loans	11,344	26,279	68,943
Others*	31	20	19
	11,375	**26,299**	**68,962**
Less: Current portion (A)	(4,322)	(7,543)	(37,323)
	7,053	**18,756**	**31,639**
Unsecured			
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
	933,464	**920,989**	**647,979**
Less: Current portion (B)	(44,144)	(47,059)	(88,043)
	889,320	**873,930**	**559,936**
	896,373	**892,686**	**591,575**
Current maturities of long-term borrowings [A+B]	**48,466**	**54,602**	**125,366**

Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Secured			
Term loans	-	17,165	10,396
Bank overdraft	663	513	987
	663	**17,678**	**11,383**
Unsecured			
Term Loans	106,745	20,621	63,077
Bank overdraft	22,034	18,939	12,220
	128,779	**39,560**	**75,297**
	129,442	**57,238**	**86,680**

* 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.

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(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
	1,077,131	**998,855**	**808,555**

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
March 31, 2017		**1,077,131**	**180,061**	**897,070**
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
March 31, 2016		**998,855**	**173,078**	**825,777**
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
April 1, 2015		**808,555**	**332,325**	**476,230**

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(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
Airtel Bangladesh Ltd (refer Note 5 (b))	-	26,289	21,731	(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 / FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for 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 / FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies for EKN-1, EKN-2, SCB Mauritius & HDFC loan facility. (iii) Corporate Guarantee by BAHSPL (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSPL by BAL (Bharti Airtel Limited) for EKN-1, EKN-2, HDFC loan facility. (iv) Register Hypothecations of all present and future book debts, receivables, monies, and movable property of the Borrower consisting of raw materials, stocks, inventory work in progress, finished goods and insurance proceeds thereof, of Airtel Bangladesh on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 and its subsequent modifications to the hypothecation executed in favor of the existing lenders and filed with the Registrar of Joint Stock Companies. (For Short Term Working Capital Lenders (STL & OD) except Citibank N.A).
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.
	12,159	**44,371**	**81,099**	

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.

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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
	194,649	**176,908**	**180,975**

* 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
	15,681	**16,084**	**14,537**

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
	88,808	**131,180**	**127,306**

* 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
	9,686	**9,682**	**9,714**
Non-current	7,471	7,350	7,648
Current	2,215	2,332	2,066
	9,686	**9,682**	**9,714**

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(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)
	5,786	**5,761**

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
Closing balance	**131,061**	**113,436**

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
	131,061	**113,436**	**86,531**

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
	727	**1,527**	**1,466**

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	-	-
	34,770	**21,844**	**15,898**

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
		134,820	**101,981**	**93,213**

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

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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
	413,240	**319,985**	**307,914**
Lease Rentals	68,333	65,174	
Lease equalisation adjustments	2,550	1,445	

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(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
	233,007	**161,094**	**177,822**

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
	143,895	**122,668**	**111,408**

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
	83,754	**27,584**	**56,171**

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
	87,804	**29,933**	**57,871**

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
	2,379	**751**	**1,628**

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	-	-	-
	322	**42**	**279**

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(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	-	-	-
	423	**70**	**353**

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	-	-	-
	168	**30**	**138**

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
	954,683	**965,321**

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
	43,032	**49,108**

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)
Equity settled Plans			
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
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
Cash settled Plans			
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.

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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 (₹)
2006 Plan				
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
2008 Plan & AGP				
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
PSP 2009 Plan				
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
Special ESOP & RSU Plan				
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
Infratel 2008 Plan				
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
LTI Plans				
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
Infratel LTI plans				
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
Performance Unit Plans				
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	-

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(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.

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(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
Obligation:				
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)
Present value of funded obligation	**2,618**	**1,158**	**2,656**	**1,127**
Assets:				
Balance as at beginning of year	66	-	104	-
Interest income	5	-	9	-
Benefits paid	(25)	-	(39)	-
Remeasurements	(0)	-	(8)	-
Fair value of plan assets	**46**	**-**	**66**	**-**
Liability recognised in the balance sheet	**2,572**	**1,158**	**2,590**	**1,127**
Current portion	**616**	**1,158**	**563**	**1,127**
Non-current portion	**1,956**	**-**	**2,027**	**-**

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	-
Remeasurements on Liability	**73**	**121**
Return on plan assets, excluding interest income	(0)	(8)
Remeasurements on plan assets	**(0)**	**(8)**
Net remeasurements recognised in OCI	**73**	**129**

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)

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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
	2,618	**2,656**	**2,426**
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
	209,154	**201,567**

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
	71,400	**82,410**

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
	82,253	**88,043**

* 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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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
	197,730	**174,498**

*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
Finance costs		
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
	95,466	**85,461**
Finance income		
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
	18,492	**16,326**

'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.

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.

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)).

(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:

(a) 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.

(b) 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:

(Shares in thousands)

Particulars	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
Weighted average shares outstanding for diluted EPS	3,997,176	3,996,654

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.

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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)	**-**
Total revenues	**565,511**	**11,743**	**219,568**	**109,429**	**60,829**	**27,518**	**34,306**	**3,736**	**-**	**(77,957)**	**954,683**
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**
Profit before tax											**77,233**
Other segment items											
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)**
As of March 31, 2017											
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)	**-**
Total revenues	**560,637**	**16,454**	**251,333**	**96,993**	**55,588**	**25,066**	**29,178**	**3,446**	**-**	**(73,374)**	**965,321**
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)**
Profit before tax											**128,463**
Other segment items											
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)**
As of March 31, 2016											
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**
As of April 1, 2015											
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**

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Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unallocated assets comprise of :			
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
Total	**114,882**	**181,847**	**237,443**
Unallocated liabilities comprise of :			
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
Total	**1,039,065**	**1,107,281**	**1,185,717**

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
	954,683	**965,321**

(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
	1,890,736	**1,779,948**	**1,467,666**

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.

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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.

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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	-	-	-	-	-	14	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	-	-	-	-	-

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(c) The outstanding balances are as follows:

Particulars	Significant influence entities	Associates	Joint ventures	Other related parties
As of March 31, 2017				
Trade Payables	(490)	(4)	(11,310)	(532)
Trade Receivables	129	-	1	216
Other financial assets - Loans given	-	-	5	-
Security Deposit	-	-	3,903	1,050
As of March 31, 2016				
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
As of April 1, 2015				
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
	561	**508**

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

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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	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 720 Mn	CHF 300 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.13 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	131	-	2,687	500
Carrying value of derivative instruments (liabilities)	908	620	-	-
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 reclassifictaion during the period to P&L	4,079	1,453	(3,005)	(917)

b) Net investment hedge

Particulars	March 31, 2017		March 31, 2016	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 400 Mn	USD 1578 Mn	Euro 733 Mn	USD 1816 Mn
Carrying value of hedging instruments (Borrowings)	27,738	102,308	55,337	120,333
Maturity date	May 2021	February 2025 - September 2026	May 2021	February 2025 -October 2025
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 reclassifictaion during the period to P&L to exceptional items	581	-	-	-

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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)
For the year ended March 31, 2017			
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	-
For the year ended March 31, 2016			
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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The following table analyses the financial impact of fair value hedge and details thereto.

Particulars	March 31, 2017		March 31, 2016	
Interest rate risk covered for currency	USD	Euro	USD	Euro
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 potion 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
For the year ended March 31, 2017		
INR - borrowings	+100	(866)
	-100	866
US Dollar -borrowings	+100	(2,629)
	-100	2,629
Other Currency -borrowings	+100	(49)
	-100	49
For the year ended March 31, 2016		
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

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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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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						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	**Total**
Interest bearing borrowings*#	1,080,241	22,697	137,808	50,646	176,532	1,100,524	**1,488,207**
Other financial liabilities#	98,529	4,148	78,700	-	540	15,141	**98,529**
Trade payables	268,537	-	268,537	-	-	-	**268,537**
Financial liabilities (excluding derivatives)	**1,447,307**	**26,845**	**485,045**	**50,646**	**177,072**	**1,115,665**	**1,855,273**
Derivative assets	6,792	-	1,010	1,050	1,743	2,989	**6,792**
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)	**(5,061)**
Net derivatives	**1,731**	**-**	**(982)**	**707**	**651**	**1,355**	**1,731**

Particulars	As of March 31, 2016						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	**Total**
Interest bearing borrowings*#	1,011,125	19,452	72,998	54,938	118,106	1,141,668	**1,407,162**
Other financial liabilities#	140,665	4,492	120,148	52	562	16,288	**141,542**
Trade payables	255,806	-	255,806	-	-	-	**255,806**
Financial liabilities (excluding derivatives)	**1,407,596**	**23,944**	**448,952**	**54,990**	**118,668**	**1,157,956**	**1,804,510**
Derivative assets	18,764		436	4,329	242	13,757	**18,764**
Derivative liabilities	(1,939)	-	(1,787)	(144)	(3)	(5)	**(1,939)**
Net derivatives	**16,825**	**-**	**(1,351)**	**4,185**	**239**	**13,752**	**16,825**

Particulars	As of April 1, 2015						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	**Total**
Interest bearing borrowings*#	810,423	13,207	185,453	45,950	76,991	724,312	**1,045,913**
Other financial liabilities#	135,041	4,304	116,200	160	1,955	13,261	**135,880**
Trade payables	215,896	-	215,849	-	-	-	**215,849**
Financial liabilities (excluding derivatives)	**1,161,360**	**17,511**	**517,502**	**46,110**	**78,946**	**737,573**	**1,397,642**
Derivative assets	8,510	-	318	889	109	7,194	**8,510**
Derivative liabilities	(792)	-	(545)	(83)	(153)	(11)	**(792)**
Net derivatives	**7,718**	**-**	**(227)**	**806**	**(44)**	**7,183**	**7,718**

* 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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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

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
Net Debt	**1,061,464**	**967,439**	**791,900**
Equity	674,563	667,693	630,590
Total Capital	**674,563**	**667,693**	**630,590**
Capital and Net Debt	**1,736,027**	**1,635,132**	**1,422,490**
Gearing Ratio	**61.1%**	**59.2%**	**55.7%**

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
Financial Assets							
FVTPL							
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
FVTOCI							
Investments	Level 1	2,387	3,223	-	2,387	3,223	-
Investments	Level 2	1,460	3	-	1,460	3	-
Amortised cost							
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
		212,305	**230,025**	**239,074**	**212,305**	**230,061**	**239,050**
Financial Liabilities							
FVTPL							
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	-	-
Amortised cost							
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
		1,452,368	**1,409,534**	**1,162,153**	**1,505,958**	**1,443,932**	**1,186,219**

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following methods / assumptions were used to estimate the fair values:

i. 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.

ii. Fair value of quoted mutual funds and non-convertible bonds is based on quoted market price at the reporting date.

iii. 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.

iv. 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
Opening balance	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
Closing balance	**(188)**	**51**

* 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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(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, 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	Amount
	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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(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: As % of consolidated net assets	Net Assets: Amount	Share in profit or loss: As % of consolidated profit or loss	Share in profit or loss: Amount	Share in other comprehensive income (OCI): As % of OCI	OCI: Amount	Share in total comprehensive income (TCI): As % of TCI	TCI: Amount
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 B.V.	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 B.V.	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 net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
32	Airtel Money Transfer Limited	100	Kenya	Mobile commerce services	0	-	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 B.V.	100	Netherlands	Investment Company	13.97	94,264	50.96	19,364	0	-	(181.70)	19,364
49	Bharti Airtel Burkina Faso Holdings B.V.	100	Netherlands	Investment Company	6.71	45,286	99.27	37,719	0	-	(353.94)	37,719
50	Bharti Airtel Chad Holdings B.V.	100	Netherlands	Investment Company	0.07	447	0.25	96	0	-	(0.90)	96
51	Bharti Airtel Congo Holdings B.V.	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	-
53	Bharti Airtel DTH Holdings B.V.	100	Netherlands	Investment Company	0	1	0	(0)	0	-	0	(0)
54	Bharti Airtel Gabon Holdings B.V.	100	Netherlands	Investment Company	1.30	8,754	1.16	442	0	-	(4.15)	442
55	Bharti Airtel Ghana Holdings B.V.	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) B.V.	100	Netherlands	Investment Company	46.87	316,155	14.63	5,561	0	-	(52.18)	5,561
59	Bharti Airtel Kenya B.V.	100	Netherlands	Investment Company	(0.97)	(6,523)	(3.71)	(1,409)	0	-	13.22	(1,409)
60	Bharti Airtel Kenya Holdings B.V.	100	Netherlands	Investment Company	(0.38)	(2,562)	(0.18)	(70)	0	-	0.66	(70)

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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	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	-	0	-
63	Bharti Airtel Madagascar Holdings B.V.	100	Netherlands	Investment Company	(0.17)	(1,156)	(0.74)	(281)	0	-	3	(281)
64	Bharti Airtel Malawi Holdings B.V.	100	Netherlands	Investment Company	0.06	422	0.24	91	0	-	(0.85)	91
65	Bharti Airtel Mali Holdings B.V.	100	Netherlands	Investment Company	0.03	216	(0.04)	(17)	0	-	0.16	(17)
66	Bharti Airtel Niger Holdings B.V.	100	Netherlands	Investment Company	1.51	10,209	(0.18)	(69)	0	-	0.64	(69)
67	Bharti Airtel Nigeria B.V.	100	Netherlands	Investment Company	(6.37)	(42,955)	(29.06)	(11,042)	0	-	103.61	(11,042)
68	Bharti Airtel Nigeria Holdings B.V. ##	100	Netherlands	Investment Company	0	-	0	-	0	-	0	-
69	Bharti Airtel Nigeria Holdings II B.V.	100	Netherlands	Investment Company	(0.02)	(117)	0	(1)	0	-	0.01	(1)
70	Bharti Airtel RDC Holdings B.V.	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 B.V.	100	Netherlands	Investment Company	(0.06)	(387)	(0.14)	(53)	0	-	0.50	(53)
73	Bharti Airtel Sierra Leone Holdings B.V. (Sold on July 19, 2016)	-	Netherlands	Investment Company	0	-	0.09	35	0	-	(0.33)	35
74	Bharti Airtel Tanzania B.V.	100	Netherlands	Investment Company	(0.52)	(3,478)	(5.50)	(2,089)	0	-	19.60	(2,089)
75	Bharti Airtel Uganda Holdings B.V.	100	Netherlands	Investment Company	(0.88)	(5,906)	(0.76)	(288)	0	-	2.70	(288)
76	Bharti Airtel Zambia Holdings B.V.	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 Brazzavile	Infrastructure sharing services	0	0	0	-	0	-	0	-
83	Gabon Towers S.A. ##	90	Gabon	Infrastructure sharing services	0	(3)	0	(1)	0	-	0.01	(1)
84	Indian Ocean Telecom Limited	100	Jersey	Investment Company	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 Brazzavile	Mobile commerce services	0	1	0	-	0	-	0	-
88	Montana International	100	Mauritius	Investment Company	0	(12)	0	(2)	0	-	0.02	(2)
89	MSI-Celtel Nigeria Limited ##	100	Nigeria	Investment Company	0	-	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	-	0	-
92	Société Malgache de Téléphone Cellulaire S.A.	100	Mauritius	Investment Company	0.02	147	(0.01)	(2)	0	-	0.02	(2)

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(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 net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
93	Tanzania Towers Limited	60	Tanzania	Infrastructure sharing services	0	(31)	(0.01)	(2)	0	-	0.02	(2)
94	Tchad Towers S.A. #	-	Chad	Infrastructure sharing services	0	-	0.21	80	0	-	(0.75)	80
95	Towers Support Nigeria Limited ## @@	83.25	Nigeria	Infrastructure sharing services	0	(1)	0	0	0	-	0	0
96	Warid Telecom Uganda Limited (merged with 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	-
	Minority Interests in all subsidiaries				(10.19)	(68,750)	(11.62)	(4,416)	(4.55)	2,213	20.67	(2,203)
	Associates (Investment as per the equity method)											
	- 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	(1)
	- 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	(1,233)
	Joint Ventures (Investment as per the equity method)											
	- Indian											
1	Indus Towers Limited	22.91	India	Passive infrastructure services	8.23	55,509	31.45	11,949	0	-	(112.13)	11,949
2	FireFly Networks Limited	50	India	Telecommunication services	0	(0)	0	2	0	-	-0.02	2
	- Foreign											
3	Bridge Mobile Pte Limited	25.91	Singapore	Provision of regional mobile services	0.01	52	0.02	9	0	-	(0.09)	9
	Inter Company Elimination / adjustments on consolidation					(933,729)		451,627 **		(51,019)		400,608
	Total				**100**	**674,563**	**100**	**37,998**	**100**	**(48,655)**	**100**	**(10,657)**

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	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
	Parent											
1	Bharti Airtel Limited	100	India	Telecommunication services	167.34	1,117,291	128.04	77,803	0.28	(34)	159.40	77,769
	Subsidiaries											
	- Indian											
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)	(6)
2	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)	80.10	India	Mobile commerce services	0.35	2,369	(0.57)	(346)	0	-	(0.71)	(346)
3	Bharti Airtel Services Limited	100	India	Other	(0.13)	(882)	(0.10)	(60)	0.05	(6)	(0.14)	(66)
4	Bharti Hexacom Limited	70	India	Telecommunication services	9.37	62,545	16.93	10,289	0.01	(2)	21.08	10,287
5	Bharti Infratel Limited *	71.76	India	Infrastructure sharing services	28.35	189,296	21.84	13,274	0	4	27.22	13,278
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)	(31,428)	(1.89)	(1,150)	0.02	(2)	(2.36)	(1,152)
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)	(359)	(0.13)	(78)	0	-	(0.16)	(78)
9	Nxtra Data Limited	100	India	Telecommunication services	0	(16)	(0.20)	(124)	0.01	(1)	(0.26)	(125)
10	Smartx Services Limited (subsidiary w.e.f. September 21, 2015)	71.76	India	Telecommunication services	0	30	0	0	0	-	0	0
11	Telesonic Networks Limited	100	India	Telecommunication services	0.02	116	0.57	346	0.19	(23)	0.66	323
12	Wynk Limited	100	India	Telecommunication services	0	24	0.03	16	0	-	0.03	16
	- Foreign											
1	Africa Towers N.V.	100	Netherlands	Investment Company	(0.05)	(355)	(0.46)	(279)	0	-	(0.57)	(279)
2	Africa Towers Services Limited	100	Kenya	Infrastructure sharing services	0	(0)	0.06	34	0	-	0.07	34
3	Airtel (Seychelles) Limited	100	Seychelles	Telecommunication services	0.07	468	0.01	4	0	-	0.01	4
4	Airtel (SL) Limited	100	Sierra Leone	Telecommunication services	0.04	238	1.07	650	0	-	1.33	650
5	Airtel Bangladesh Limited	100	Bangladesh	Telecommunication services	(2.77)	(18,524)	(11.50)	(6,987)	(0.32)	39	(14.24)	(6,948)
6	Airtel Burkina Faso S.A.	100	Burkina Faso	Telecommunication services	0.52	3,480	1.72	1,046	0	-	2.14	1,046
7	Airtel Congo (RDC) S.A.	98.50	Democratic Republic of Congo	Telecommunication services	(6.18)	(41,237)	(20.18)	(12,261)	0	-	(25.13)	(12,261)
8	Airtel Congo S.A.	90	Congo Brazzaville	Telecommunication services	(1.14)	(7,619)	(2.01)	(1,219)	0	-	(2.50)	(1,219)

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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	Amount
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)

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					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 B.V.	100	Netherlands	Investment Company	11.57	77,253	4.95	3,006	0	-	6.16	3,006
51	Bharti Airtel Burkina Faso Holdings B.V.	100	Netherlands	Investment Company	1.37	9,152	1.74	1,058	0	-	2.17	1,058
52	Bharti Airtel Chad Holdings B.V.	100	Netherlands	Investment Company	0.05	361	0.07	43	0	-	0.09	43
53	Bharti Airtel Congo Holdings B.V.	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 B.V.	100	Netherlands	Investment Company	0	1	0	(0)	0	-	0	(0)
56	Bharti Airtel Gabon Holdings B.V.	100	Netherlands	Investment Company	1.27	8,509	0.40	245	0	-	0.50	245
57	Bharti Airtel Ghana Holdings B.V.	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) B.V.	100	Netherlands	Investment Company	48.17	321,648	(9.29)	(5,643)	0	-	(11.57)	(5,643)
61	Bharti Airtel Kenya B.V.	100	Netherlands	Investment Company	(0.79)	(5,278)	(1.83)	(1,109)	0	-	(2.27)	(1,109)
62	Bharti Airtel Kenya Holdings B.V.	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)

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					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
64	Bharti Infratel Lanka (Private) Limited #	100	Sri Lanka	Infrastructure sharing services	0	-	0	-	0	-	0	-
65	Bharti Airtel Madagascar Holdings B.V.	100	Netherlands	Investment Company	(0.14)	(904)	(0.32)	(194)	0	-	(0.40)	(194)
66	Bharti Airtel Malawi Holdings B.V.	100	Netherlands	Investment Company	0.05	342	(0.04)	(22)	0	-	(0.04)	(22)
67	Bharti Airtel Mali Holdings B.V.	100	Netherlands	Investment Company	0.04	237	0	-	0	-	0	-
68	Bharti Airtel Niger Holdings B.V.	100	Netherlands	Investment Company	1.57	10,497	2.24	1,364	0	-	2.80	1,364
69	Bharti Airtel Nigeria B.V.	100	Netherlands	Investment Company	(4.95)	(33,021)	(5.04)	(3,063)	0	-	(6.28)	(3,063)
70	Bharti Airtel Nigeria Holdings B.V. #	100	Netherlands	Investment Company	0	-	0	-	0	-	0	-
71	Bharti Airtel Nigeria Holdings II B.V.	100	Netherlands	Investment Company	(0.02)	(118)	0	-	0	-	0	-
72	Bharti Airtel RDC Holdings B.V.	100	Netherlands	Investment Company	0.44	2,943	2.06	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 B.V.	100	Netherlands	Investment Company	(0.05)	(344)	(0.09)	(58)	0	-	(0.12)	(58)
75	Bharti Airtel Sierra Leone Holdings B.V.	100	Netherlands	Investment Company	0.03	199	0.22	134	0	-	0.27	134
76	Bharti Airtel Tanzania B.V.	100	Netherlands	Investment Company	(0.22)	(1,498)	0.70	424	0	-	0.87	424
77	Bharti Airtel Uganda Holdings B.V.	100	Netherlands	Investment Company	(0.86)	(5,750)	(0.83)	(506)	0	-	(1.04)	(506)
78	Bharti Airtel Zambia Holdings B.V.	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 Brazzavile	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 Brazzavile	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	-

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(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	-
	Minority Interests in all subsidiaries				(8.23)	(54,981)	(13.43)	(8,163)	(3.10)	371	(15.97)	(7,792)
	Associates (Investment as per the equity method)											
	- Foreign											
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	-
	Joint Ventures (Investment as per the equity method)											
	- Indian											
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
	- Foreign											
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)
	Total				**100**	**667,693**	**100**	**60,767**	**100**	**(11,977)**	**100**	**48,790**

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
Assets				
Non-current assets				
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
Financial Assets				
- 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
		1,566,984	**143,977**	**1,710,961**
Current assets				
Inventories		1,339	-	1,339
Financial Assets				
- 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
		254,883	**(109)**	**254,774**
Total Assets		**1,821,867**	**143,868**	**1,965,735**
Equity and Liabilities				
Equity				
Share capital		19,987	-	19,987
Other Equity		377,783	232,820	610,603
Equity attributable to owners of the Parent		**397,770**	**232,820**	**630,590**
Non-controlling interests	14	68,906	(17,293)	51,613
		466,676	**215,527**	**682,203**
Non-current liabilities				
Financial liabilities				
- 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
		686,168	**(39,784)**	**646,384**
Current liabilities				
Financial liabilities				
- 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
		669,023	**(31,875)**	**637,148**
Total Liabilities		**1,355,191**	**(71,659)**	**1,283,532**
Total Equity and Liabilities		**1,821,867**	**143,868**	**1,965,735**

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
Assets				
Non-current assets				
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
Financial assets				
- 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
		1,865,633	**163,047**	**2,028,680**
Current assets				
Inventories		1,692	-	1,692
Financial assets				
- 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
		234,527	**(5,975)**	**228,552**
Total Assets		**2,100,160**	**157,072**	**2,257,232**
Equity and Liabilities				
Equity				
Share capital		19,987	-	19,987
Other Equity		402,989	244,717	647,706
Equity attributable to owners of the Parent		**422,976**	**244,717**	**667,693**
Non-controlling interests	14	74,465	(19,484)	54,981
		497,441	**225,233**	**722,674**
Non-current Liabilities				
Financial liabilities				
- 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
		995,713	**(47,759)**	**947,954**
Current liabilities				
Financial liabilities				
- 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
		607,006	**(20,402)**	**586,604**
Total Liabilities		**1,602,719**	**(68,161)**	**1,534,558**
Total Equity and Liabilities		**2,100,160**	**157,072**	**2,257,232**

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
Income				
Revenue from operations	3	1,009,373	(44,052)	965,321
Other income	3	903	(32)	871
		1,010,276	**(44,084)**	**966,192**
Expenses				
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
		639,872	**(14,393)**	**625,479**
Profit from operating activities before depreciation, amortisation and exceptional items		**370,404**	**(29,691)**	**340,713**
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
Profit before exceptional items and tax		**77,441**	**29,281**	**106,722**
Exceptional items	2 / 6 / 9	(29,236)	7,495	(21,741)
Profit before tax		**106,677**	**21,786**	**128,463**
Tax expense				
Current tax	3	50,908	(6,218)	44,690
Deferred tax	3 / 13	1,464	13,379	14,843
Profit for the year		**54,305**	**14,625**	**68,930**
Other comprehensive income ('OCI')				
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
		-	**(12,240)**	**(12,240)**
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
		-	**(108)**	**(108)**
Other comprehensive loss for the year		**-**	**(12,348)**	**(12,348)**
Total comprehensive gain for the year		**54,305**	**2,277**	**56,582**
Profit for the year attributable to :		**54,305**	**14,625**	**68,930**
Owners of the Parent		44,566	16,201	60,767
Non-controlling interests	14	9,739	(1,576)	8,163
Other comprehensive loss for the year attributable to :		**-**	**(12,348)**	**(12,348)**
Owners of the Parent		-	(11,977)	(11,977)
Non-controlling interests		-	(371)	(371)
Total comprehensive gain for the year attributable to :		**54,305**	**2,277**	**56,582**
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.